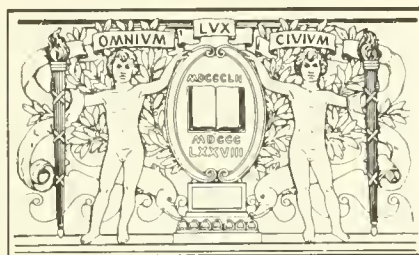


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Marshall D. Shulman
President Carter
Anthony Lake
Andrew Young
Secretary Vance

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U.S.S.R.: An Overview of U.S.-Soviet Relations

Marshall D. Shulman¹

Public opinion in the United States has tended to fluctuate widely in its moods about the Soviet Union, based as it has been upon simplified and polarized stereotypes about the nature and purposes of the Soviet system. This Administration has both the opportunity and the obligation to build a broader and steadier base in public opinion for a realistic and consistent approach to our relations with the Soviet Union, without any illusions about the seriousness of the problems involved in this relationship and without undue expectations about the time and effort that will be required to move step-by-step toward a less dangerous and more constructive relationship. To develop this kind of public support, we need a more widespread understanding of both the changes and the continuities in Soviet political life, as well as a clear perception of our own interests in the way we would like to see our relationship with the Soviet Union develop in the coming years.

Rather than attempting to clarify the ambiguities of the word "détente," it would be more productive to make it clear that we start from a frank recognition that the Soviet-American relationship at this period in history is a competitive one, based upon quite different views of the world and conflicting long-term aims; at the same time, it is no true that these two countries, as inhabitants of the same planet, have many overlapping interests.

Common sense dictates that we should, while advancing our own interests and purposes energetically, seek to regulate the competitive aspects of the relationship to reduce the danger of war and at the same time to enlarge the area of cooperation where our interests are in conflict. Over the coming decades, to the extent that future generations of Soviet leaders may see their self-interest in a more constructive relationship, we should make it clear that we would be receptive and responsive to a movement in this direction.

Although Soviet-American relations are but one element of our foreign pol-

icy, there is scarcely an aspect of international life that is not affected by this relationship and that would not be made more difficult and more dangerous by a high level of Soviet-American tension and unregulated competition.

While these considerations suggest that we should welcome and seek to strengthen the prospect of an improvement in Soviet-American relations, they also suggest that substantial progress over the long run will be better served by specific actions on concrete problems based upon mutual self-interest than by symbolic gestures or abstract declarations about détente. Further, they suggest that, although the balance between competitive and cooperative interest may—and we hope will—shift increasingly in favor of the latter, both elements are an integral part of the relationship, and there is nothing inconsistent in dealing with

both competitive and cooperative aspects of the relationship at the same time.

Although it lacks the headline appeal of simplistic slogans, this measured, balanced, and realistic approach can help to avoid the swings of public sentiment between too high expectations and disillusioned hostility. With public support and understanding of this approach, we can sustain a steadier and more consistent policy toward the Soviet Union through the inevitable ups and downs caused by changes in the Soviet Union, in the United States, and in the international scene.

Current Issues

Strategic Arms Limitation Talks (SALT). The most urgent foreign policy issue arising out of the Soviet-American relationship stems from the fact that, as a result of modern military

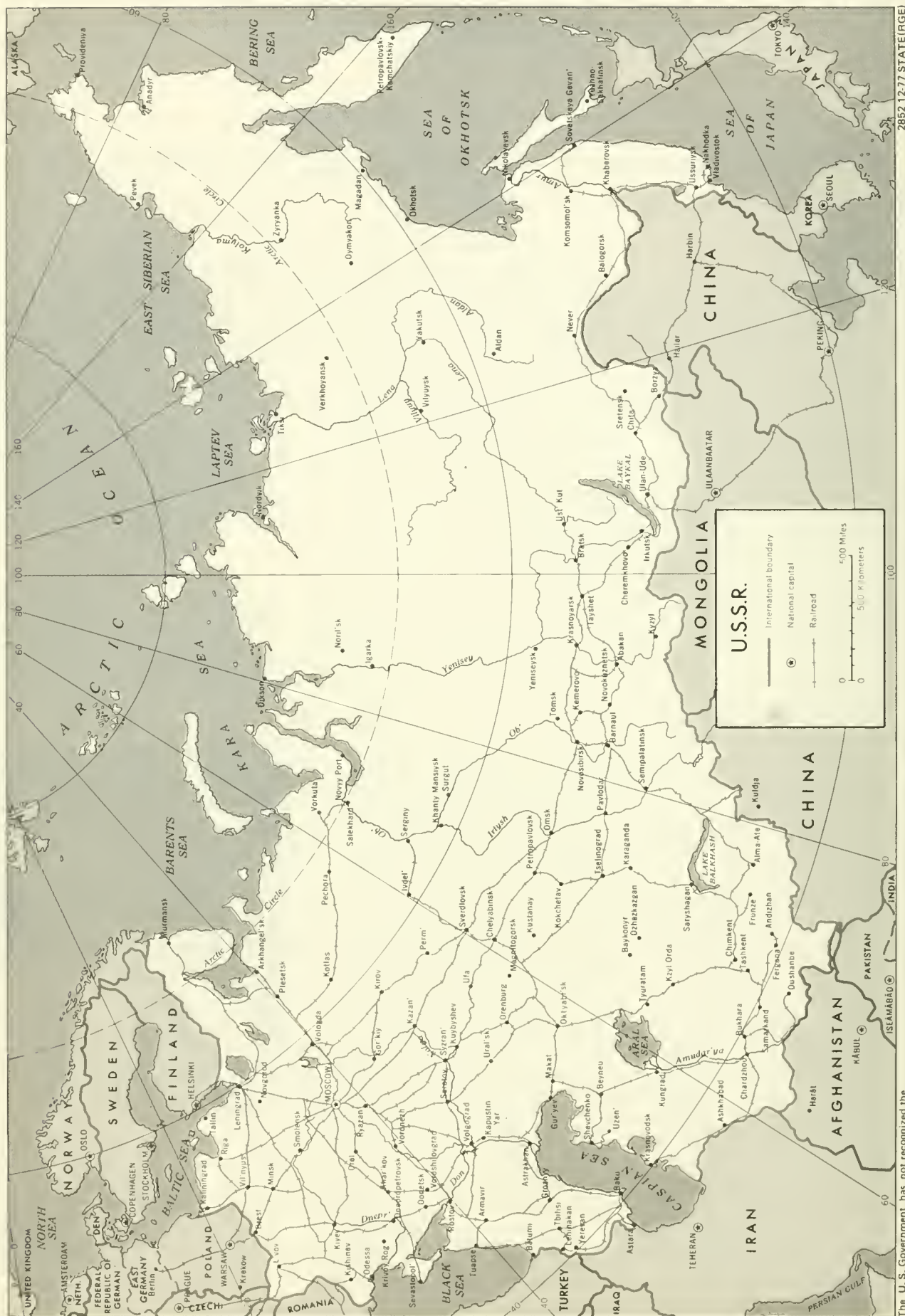
Marshall D. Shulman was born April 8, 1916, in Jersey City, New Jersey. He graduated from the University of Michigan in 1937. After pursuing graduate studies at the University of Chicago and Harvard, he received an M.A. degree in 1948 from Columbia University and a Ph.D. degree in 1959, also from Columbia.

In January 1977 Mr. Shulman was appointed Special Consultant to the Secretary on Soviet Affairs; the following September he was sworn in as Special Adviser to the Secretary of State on Soviet Affairs with the rank of Ambassador. He is also chairman of the Interagency Coordinating Committee for U.S.-Soviet Affairs. Mr. Shulman is on leave from his position as Adlai E. Stevenson Professor of International Relations at Columbia University where he was also Director of the Russian Institute. He is the author of a number of books and articles on international politics, Soviet foreign policy, and the limitation of armaments.

Among his other activities, Mr. Shulman has served as Special Assistant to the Secretary of State (1950-53), consultant to the U.S. Arms Control and Disarmament Agency, and was on the Advisory Committee on East-West Trade of the Department



of Commerce. He has been on the faculties of Harvard (1954-62) and the Fletcher School of Law and Diplomacy at Tufts University (1961-68). Mr. Shulman also has been a director of the Council on Foreign Relations and a member of the Council of the International Institute of Strategic Studies (London). □



The U. S. Government has not recognized the incorporation of Estonia, Latvia, and Lithuania into the Soviet Union. Some other boundaries are not necessarily authoritative.

ology, each country has the ability to destroy the other as a functioning society. How we should react to this fact has been the subject of a continuing debate in this country and is not clearly resolved in the public mind.

Our fundamental premise is that we cannot provide adequately for the security of our country and of our allies and the preservation of the values of our society. Some argue that we can best protect the security of our country by striving for as much military superiority as possible over the Soviet Union or other possible adversaries. The consequence of this course, however, is to encourage the other side to do the same, with the net effect of a continuing movement toward larger, more complex, and less stable weapons sys-

tems on both sides; a steady decrease in our security; and a mounting strain upon our society.

Between this approach and the other extreme of inadequate concern for the importance of a military equilibrium, there is a third course which has been the declared policy of this government in recent years and whose purpose has been to seek to stabilize the strategic military competition at moderate levels by negotiations with the Soviet Union in the Strategic Arms Limitation Talks.

We are committed to the proposition that this country must be strong so that no adversary could ever be in a position to believe that it could attack either this country or our allies without disastrous consequences for itself. Although the United States can, if necessary, keep pace with whatever level of

military competition is required, it clearly is in our security interest that the military competition be as stable and reduced to as low a level as can be achieved through negotiations. This is what we have been trying to do in SALT since it began in November 1969.

The Treaty on Limiting Anti-Ballistic Missile Systems and the Interim Agreement on the Limitation of Strategic Offensive Arms of May 1972 have clearly been useful, but both sides have, nevertheless, continued to build up their strategic weapons arsenals—qualitatively and quantitatively—in ways that were not limited by the treaty or the Interim Agreement.²

One reason why SALT has not been more effective so far is that the differences in the weapons systems and the geographical situations of the United States and the Soviet Union have made it difficult to measure with any precision what strategic equality means. Each side is stronger in some aspects of the military competition, and each side has been driven by concern that the advantages of the other might be, or might appear to be, more effective than its own. We have also been experiencing a period of extraordinary technological innovation in weapons which has made the calculations involved in SALT negotiations incredibly complex.

And yet, despite the complexity of the technical aspects of SALT, the basic policy questions involved come down to a matter of common sense and judgment on which the President, the Congress, and an informed public can base their decisions.

In the present negotiations with the Soviet Union, an effort is being made to stabilize the military competition, to begin a downward turn to more sensible levels, and to slow down the introduction of new and less stable military technologies. If these negotiations succeed, both countries will be more secure, and the world will be safer.

During the visit of Soviet Foreign Minister Gromyko to Washington in September, considerable progress was made in breaking through issues that had been deadlocked for a long time.

Although the Interim Agreement formally expired on October 3, each side has stated that it will not take any actions which would be inconsistent with that agreement while the present negotiations are proceeding.³ In these negotiations, the basic agreed elements would be incorporated in a new treaty which would run until 1985. Other elements which are of concern to one side or the other but on which full agreement has not yet been reached

PROFILE *

Geography

Area: 8,649,490 sq. mi. (about 2½ times the size of U.S.).

Capital: Moscow (pop. 7.8 million).

Other Cities: Leningrad (4.4 million), Kiev (2.1 million), Tashkent (1.7 million).

People

Population: 258.9 million (July 1977).

Annual Growth Rate: Less than 1% (1975).

Density: 84 per sq. mi. (European part), 4 per sq. mi. (Eastern Siberia and Soviet Far East).

Ethnic Groups: 53% Russian, 17% Ukrainian, 4% Uzbek, 4% Byelorussian (1970).

Religions: 70% atheist; 18% Russian Orthodox; 9% Moslem; 3% Jewish, Protestant, Georgian Orthodox, Roman Catholic, Armenian Gregorian.

Languages: Russian (official), 76% Slavic, 11% Altaic, 8% other Indo-European, 3% Uralian, 2% Caucasian.

Literacy: 98.5% (between 9–49 yrs. of age).

Life Expectancy: 70 yrs. (1974).

Government

Official Name: Union of Soviet Socialist Republics.

Type: Federal Union (est. Dec. 30, 1922).

Date of Constitution: 1977.

Branches: *Executive*—U.S.S.R. Council of Ministers. *Legislative*—bicameral U.S.S.R. Supreme Soviet (767-member Council of the Union, 750-member Council of Nationalities). *Judicial*—Supreme Court of U.S.S.R.

Political Party: Communist Party of the Soviet Union (CPSU).

Suffrage: Universal over 18; direct, equal.

Administrative Subdivisions: 15 Union Republics, 20 autonomous republics, 6 krais, 120 oblasts, 8 autonomous oblasts.

Economy

GNP: \$937 billion (1976 est.).

Annual Growth Rate: 3.7% (average 1971–75).

Per Capita Income: \$3,591 (1976 est.).

Per Capita Growth Rate: 2.8% (1976).

Agriculture: Land—27%; labor—23%; products—wheat, rye, corn, oats, potatoes, sugar beets, linseed, sunflower seed, cotton and flax, cattle, pigs, sheep.

Industry: Labor—38% (1976); products—mining, ferrous and nonferrous metallurgy, fuels and power, building materials, chemicals, machine building.

Natural Resources: Fossil fuels, waterpower, timber, manganese, lead, zinc, nickel, mercury, potash, phosphate.

Trade: *Exports*—\$37.2 billion (1976): fossil fuels, raw materials, machinery and equipment, semifinished products.

Imports—\$38.1 billion (1976): machinery and equipment, foodstuffs, raw materials. *Partners*—G.D.R., Poland, Czechoslovakia, Bulgaria, Hungary, F.R.G., Cuba, U.S., Japan, Finland, Yugoslavia, Italy, France, Romania.

Official Exchange Rate: 1 ruble = US \$1.38026 (August 1977).

*Taken from the Department of State's January 1978 edition of the BACKGROUND NOTES on the U.S.S.R. Copies of the complete NOTE may be purchased for 50¢ from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (a 25% discount is allowed when ordering 100 or more NOTES mailed to the same address).

would be held in place by a protocol to the treaty, whose function would be to give us 3 years in which to continue efforts to find mutually satisfactory solutions to these problems. At the same time, it is anticipated that agreement will be reached on the principles to govern the next round of negotiations, the main thrust of which will be to work for more substantial reductions than are immediately possible while preserving the strategic equilibrium between the two countries.

Progress in SALT would represent not only a significant improvement in the most important single aspect of Soviet-American relations but an advance in the most fundamental issue affecting international peace and security. Although SALT must stand on its own, based upon the enlightened self-interest of the United States and the Soviet Union, it can enhance the prospects for other arms control problems and for an improvement in other aspects of Soviet-American relations.

Other Arms Limitation Aspects. A brief summary of the present status of a number of other arms limitation negotiations in process is in order, since they are more extensive than may be generally appreciated.

- **Indian Ocean**—the second round of bilateral U.S.-Soviet talks on this subject, held in Washington in late September, was encouraging. We are seeking Soviet agreement to stabilize the military situation in that region as a first step and to prevent an arms competition from developing between the two countries. The third round convened in December in Bern.

- **Comprehensive test ban**—in these negotiations, which also include the United Kingdom, there has been some progress in moving from the present partial test ban toward one that would include all underground nuclear explosions. Although an agreement seems to be emerging that a ban on nuclear weapons tests would be desirable now—whether or not other nuclear nations are prepared to join in the agreement—differences remain on several questions, including whether peaceful nuclear explosions should also be banned. We feel that such a total ban is necessary and are continuing to negotiate on this question at Geneva.

- **Mutual and balanced force reductions (MBFR)** in central Europe—at Vienna arduous negotiations involving the United States, the Soviet Union, and some of their respective allies have been seeking an equitable solution to this source of danger and tension. There has not yet emerged any common ground between the Western in-

sistence that reductions should move toward equal levels and the Soviet insistence that the present balance of forces should be preserved by equal percentage reductions. We are continuing these negotiations in the conviction that a solution to this problem could contribute substantially to European security and a climate of justified confidence.

- **Chemical weapons**—these negotiations are moving forward reasonably well. The Soviet and American delegations are working on technical details and problems of definition in the hope that it may be possible by spring to make a joint submission of guidelines to the Committee of the Conference on Disarmament in Geneva.

- **Antisatellite arms control**—since both the United States and the Soviet Union rely heavily upon satellite reconnaissance to monitor compliance with SALT and other agreements, as well as for early-warning systems, it is obviously a matter of concern that agreement should be reached to prevent either side from developing the capability of destroying satellites. There have been reports that the Soviet Union has been experimenting with such capabilities, and, if these were to continue, the United States would clearly draw on its strong technological base to develop capabilities at least as strong as those of the Soviet Union. We are continuing our own research and development work in this area should it be necessary swiftly to develop such capabilities; at the same time, we are preparing proposals which we hope will head off this potentially destabilizing development.

- **Radiological weapons**—negotiations are proceeding on this subject at Geneva with some prospect of reaching agreement in a few months.

- **Advance notification of missile launches**—this subject has been included in the strategic arms limitation negotiations and is now under negotiation at Geneva. The Soviet position has been that necessary safeguards are already provided in two previous agreements—one on the Prevention of Incidents on and Over the High Seas of May 1972 and the other on Measures To Reduce the Risk of Outbreak of Nuclear War of September 1971—which oblige either side to notify the other if a test or accidental launch might be subject to misinterpretation.⁴ We believe that a more far-reaching obligation on both parties is required if a genuine contribution to mutual confidence is to be achieved.

- **Limitations on conventional arms transfers**—only a beginning has been made in dealing with this dangerous

problem, which is made more difficult because it involves conflicting political interests in specific areas and touches on important interests of our allies. Since the United States is the principal source of conventional arms sales and transfers, it has felt the obligation to initiate proposals on this subject, but substantial negotiations have not yet resulted.

- **Nonproliferation of nuclear weapons**—this is a subject on which the United States and the Soviet Union should have, and do have, strong parallel interests and on which a fair degree of cooperation has been achieved. In June the two sides agreed to subsume their joint efforts on nonproliferation under the aegis of the London Suppliers Group since the cooperation of other nuclear suppliers is obviously essential.

The key to any effort to halt proliferation is to increase our knowledge of the relationship between the fuel cycle in peaceful applications and the production of nuclear materials from which weapons can be produced. We must not only know this subject well, we must insure that other nations are also aware of these risks and benefits of nuclear energy. The International Atomic Energy Agency, in which the United States and the Soviet Union have generally worked well together, has played a valuable role in this effort. Constructive participation by the Soviet Union in the International Nuclear Fuel Cycle Evaluation Organization Conference, held October 19–21 in Washington, has been a further indication of the high level of cooperation between our two governments on nonproliferation.

- **Theater nuclear weapons**—Soviet weapons which are targeted on Europe are at present largely unconstrained by any international agreement. Soviet development of increasingly mobile systems, such as the SS-20—a mobile intermediate range ballistic missile with multiple independently targetable warheads—and the Backfire bomber are causing our allies increasing concern. We are at this point unsure whether negotiations on these systems, which fall into the “gray areas” between SALT and MBFR, are feasible. The problem is an increasingly important one, however, and one to which we will be giving much thought.

A summary judgment of these various arms limitation efforts would suggest that a wide number of significant problems are being addressed, some with reasonable prospects of effective results, some less so. In our judgment these efforts are more likely to be successful

to the extent that they seek specific concrete steps rather than general declarations. In our view, propagandistic declarations of intent, although they have a specious public appeal, do not contribute substantially to the solution of concrete problems in reducing the danger of either conventional or nuclear war.

Areas of Political Competition. The Quadripartite Agreement of 1975 on Berlin, the most crucial area of potential confrontation between the United States and the Soviet Union—*Central Europe*—has been relatively stable. By comparison with earlier periods, it is an important step forward. *Europe* is now in the category of geographical areas where the risk of confrontation has been substantially reduced. Although *Europe*—East and West—continues to be a vital area of political competition because of its significant industrial resources, the concept of that competition can be made less dangerous to the peace of the world if more substantial progress is achieved in the negotiations at Vienna on the reduction of military forces in the area.

In contrast the *Middle East* still presents a substantial risk of hostilities which could involve the Soviet Union and the United States. For 30 years, through four Arab-Israeli conflicts, Soviet and American interests have intersected in the Middle East. While Soviet influence in the area has had its ups and downs, it is obvious that the issue is of considerable importance to

the Soviet Union and that a constructive rather than an obstructive role by the Soviet Union would be an important element in any effort to reduce the danger of another Middle Eastern war.

In the current situation, we have been able to work both with Israel and the Arab parties in starting the process toward a settlement, but to achieve a comprehensive and durable solution requires direct negotiations between the parties. This can best be achieved, we believe, under the auspices of a Geneva conference, with the cooperation and support of its two co-chairmen—the United States and the Soviet Union.

It should be made clear beyond any doubt that it was this objective that was the sole motivation in our joining with the Soviets in issuing a statement on the Middle East on October 1 during the presence of Foreign Minister Gromyko in New York.⁵ It would be an error to believe that the statement was inspired by any desire to use the Middle East as a vehicle for improving U.S.-Soviet relations.

In *Africa* it must be said that Soviet actions over the past 2 years have shown a lack of restraint. In Angola and also in the war between Ethiopia and Somalia, we feel that Soviet policies—especially arms supply—contributed to local conflicts in a way that seriously destabilized the region.

In other African areas of potential conflict—Rhodesia and Namibia—there have been set in motion initiatives which could lead to a settlement

enjoying wide African support. It has been our purpose to encourage the Soviet Union to adopt a constructive attitude toward these initiatives and to avoid any further East-West polarization of Africa. We hope and expect that the Soviet Union will support the essential role of the United Nations in working toward settlement in these areas.

In a summary assessment of this brief review of the global aspect of Soviet-American relations, it can be said that although realism compels us to accept the political competition between the Soviet Union and the United States in various areas of the world as a fact of international life, there has been some modest progress in moving toward a codification of the restraint that can be expected in greater or lesser degree in the different areas. This is motivated not by altruism but by self-interest on both sides, since it is painfully evident that an unregulated competition can dangerously exacerbate the many local sources of conflict which have arisen and will arise, and the possibility of local conflicts spiraling out of control is always present.

Economic Relations. The development of economic relations is clearly an important component of the total relationship between the United States and the Soviet Union. In recent years, the Soviet Union has indicated an active interest in expanding its importation of agricultural products, consumer goods, manufactured goods, and advanced technology. It would also like

U.S. AMBASSADOR TO THE U.S.S.R.

Malcolm Toon, a career Foreign Service Officer, was born in Troy, New York, on July 4, 1916. He holds an A.B. degree from Tufts College (1937) and an M.A. from the Fletcher School of Law and Diplomacy (1938). Upon graduating from the Fletcher School, he became a research assistant for the National Planning Board. He served in the U.S. Navy (1942-46) as a PT-boat commander, principally in the South Pacific, attaining the rank of Lt. Commander. He was awarded the Bronze Star. Ambassador Toon joined the Foreign Service in 1946 and was assigned to Warsaw where he served as an administrative officer (1946-49); he then served as Political Officer in Budapest (1949-50). During the academic year 1950-51, he attended Middlebury College and Harvard University where he took Russian area and language training. He was then assigned to Moscow where he served as a consular and political



officer (1951-52). After spending a year in Rome, he became Political Officer and Chief of Consular Affairs in Berlin.

In 1956 he was assigned to the Department of State and during that tour was a

delegate to various international conferences, including the U.S.-U.S.S.R. cultural exchange negotiations, the 1958 nuclear test ban conference in Geneva, the 1959 Geneva foreign ministers' conference on Berlin, and the 10-nation Committee on Disarmament in 1959. He served in the Department as Deputy Director of the East-West Exchanges Staff (1956-60) and then as First Secretary at the Embassy in London until 1963. He was then assigned to Moscow where he was Counselor for Political Affairs.

From 1965 to 1968 Ambassador Toon was Director of the Office of Soviet Affairs in the Department and in 1968-69 was Acting Deputy Assistant Secretary for European Affairs.

He was appointed Ambassador to Czechoslovakia in 1969, Ambassador to Yugoslavia in 1971, and Ambassador to Israel in 1975; he was sworn in as Ambassador to the U.S.S.R. in December 1976.

Ambassador Toon received the Department's Superior Honor Award in 1965 and was appointed a Career Minister in 1973. □

to expand its export of manufactured goods as well as raw materials to Western markets. The development of this trade with the United States and other advanced industrial nations can be a stabilizing factor in Soviet policy toward the world.

There are also areas in which Soviet and U.S. economic policies are affected by and have a critical impact on the rest of the world. Foremost among these are international grain trade and energy problems. The cooperation of the Soviet Union in the orderly allocation and handling of food reserves, as well as the supply and availability of oil, will be increasingly important.

Questions have been raised about the balance of political risks and benefits to the United States that need to be weighed in determining a national policy on the expansion of economic relations with the Soviet Union. Clearly a period of national discussion and consultations with the Congress lie before us as we seek to clarify such issues as the extension of most-favored-nation status to the Soviet Union, what criteria should govern the extension of credits through the Export-Import Bank, what criteria should govern the transfer of technology, to what extent we should participate in energy and other resource development projects, etc. We shall also have to address the question of how the necessary degree of coordination can be achieved between the government and the private sector and between the United States and its allies.

It has been the declared policy of this government that it looks toward an improvement in economic relations between the Soviet Union and the United States as conditions make this possible, and it would be desirable to move in this direction by prompt and measured steps. The concrete measures by which this policy can be implemented will be determined on the basis of consultations with the Congress.

Scientific, Academic, and Cultural Exchanges. Between 1972 and 1974, the United States and the Soviet Union signed a series of 11 bilateral agreements to foster cooperation in a variety of technical fields: health, environmental protection, artificial heart research, energy, atomic energy, agriculture, housing, transportation, oceanography, space, and science and technology. Prior to 1972, our cooperative relations with the Soviet Union in these fields had been largely restricted to one-time exchanges. The bilateral agreements added an element of continuity to our cooperative ventures and have stressed joint research efforts.

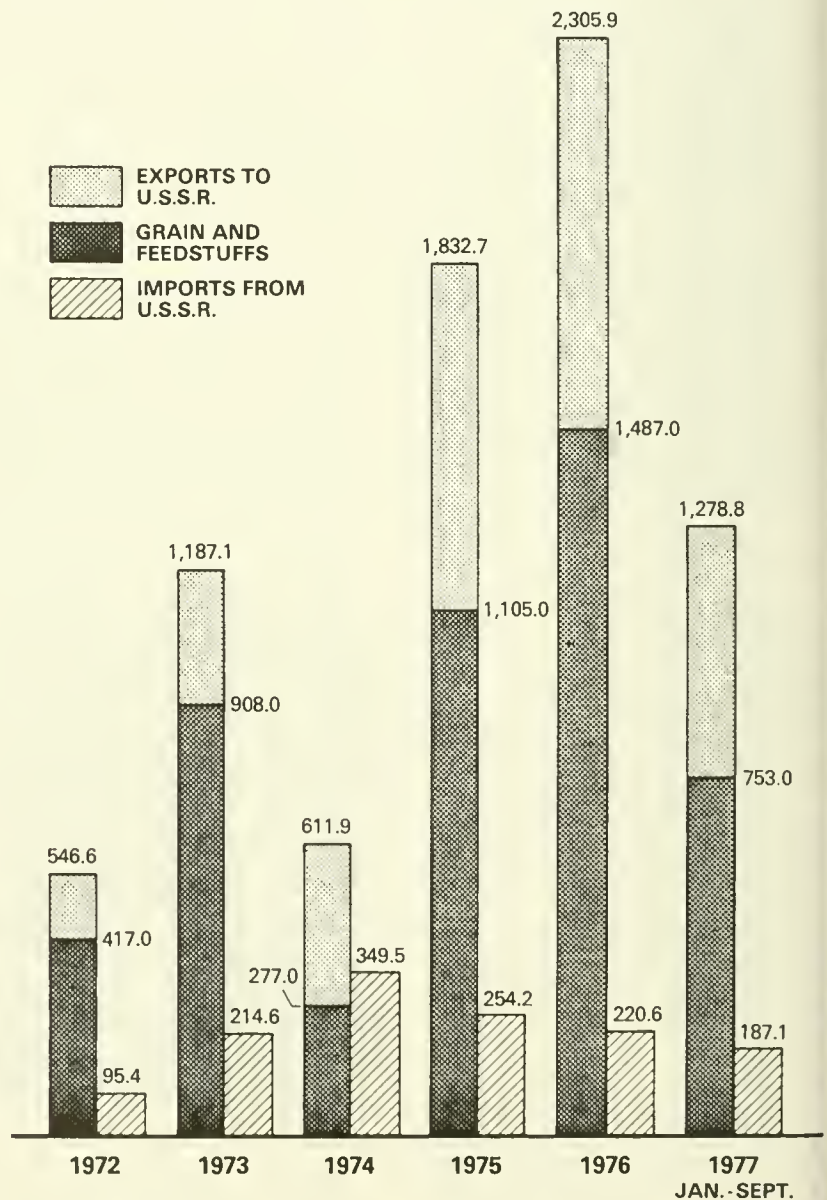
We have pursued a variety of objec-

tives in implementing the agreements: achieving scientific or technical benefit, promoting commercial relations, broadening and deepening our overall relations with the Soviet Union, and expanding our access to their closed society. Participating U.S. agencies report satisfactory or better progress toward these goals. As evidence of our determination that continued participation remains in our interest, during 1977 we agreed to the extension of five

agreements—artificial heart research, health, environmental protection, space, and science and technology—a further 5 years. Under the agreements, 876 Soviet participants traveled to the United States and 9 U.S. participants traveled to the Soviet Union in 1976.

Other programs, notably that of the National Academy of Sciences, bring Soviet and American scientists together, in some cases for collabora-

U.S. TRADE WITH THE U.S.S.R. IN MILLIONS OF DOLLARS



SOURCE: COMPILED FROM DEPARTMENT OF COMMERCE FIGURES

search of up to a year's duration. Knowledge and understanding of one another has grown as a result of a 20-year-old official exchanges agreement, under which approximately 350 scholars, students, and lecturers now travel annually between the two countries.

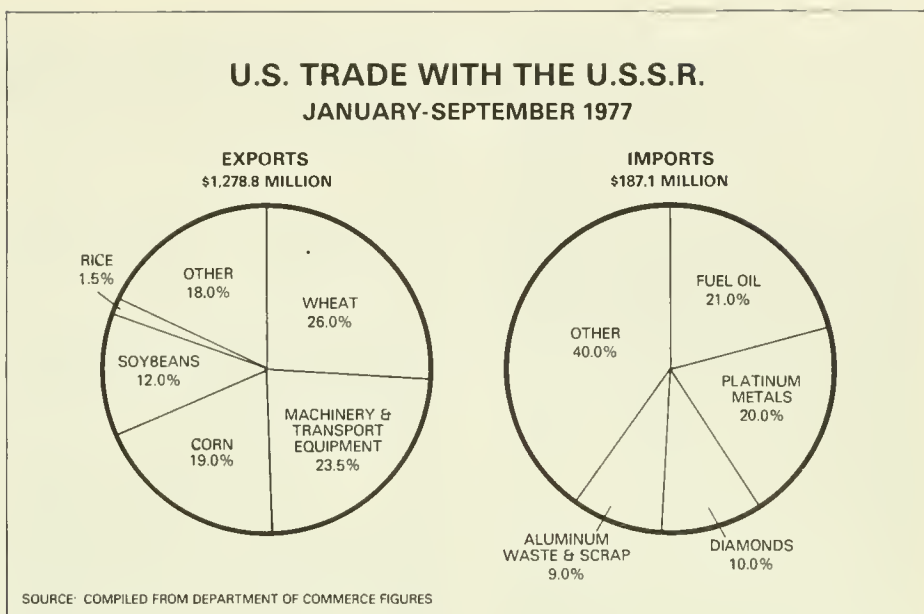
Under the same agreement, six Soviet performing arts groups visited the United States in 1977 and two American groups have gone to the Soviet Union. Soviet and American exhibitions are to tour nine cities in each country in the next 3 years. In 1976 a Soviet exhibit on science toured the United States, and a U.S. exhibit on photography completed a Soviet tour in 1977. In addition, we had a Bicentennial exhibition in Moscow and the Soviets in turn held a 60th anniversary exhibition in Los Angeles in November 1977.

In addition to the scientific and scholarly advances that flow from these exchange arrangements, we attach importance to the opportunities for personal contacts and increased insight into each other's society. While there are asymmetries between the two societies that complicate the problem of managing these exchanges so that their benefits are equally distributed, every effort is being made to insure that this is the case, and significant improvements have been registered since the exchanges began.

Human Rights. Although the human rights issue has been a source of contention in U.S.-Soviet relations, it is our hope that over the longer run, it will be seen to have had constructive effects.

At the philosophical level, we believe that there can be a useful dialogue between societies that start from the needs of the society and emphasize the fulfillment of material needs and those which start from the dignity and worth of the individual and emphasize the fulfillment of political rights.

It is obvious, however, that the human rights issue also raises political and bureaucratic problems—that it touches on fundamental questions of political control and, therefore, often stimulates neuralgic responses. We have sought to make it clear in our bilateral discussion on human rights issues and at the Belgrade Review Conference on the Helsinki Final Act, that our commitment of this Administration to the advancement of human rights is an integral element of our foreign policy generally and is not directed against the Soviet Union in particular. There has not been and there will not be any winking in this commitment. We have sought the most effective means by which to realize our purpose, which



is to seek constructive results in improving the lot of individuals concerned and to encourage long-term trends in the world toward a wider respect for the dignity and worth of human beings.

We do not see this objective as inconsistent with the desire to work toward reduced international tension and improved Soviet-American relations; on the contrary, we believe that in the long run the reduction of international tension can contribute to an easing of the internal pressures which restrict the fullest realization of the creative potential of men and women everywhere.

Internal Developments

Our thinking about the relations between the United States and the Soviet Union clearly rests upon the assumptions we make about domestic trends within each, although in practice these assumptions often remain unagreed to or unarticulated in our discussions of the subject.

Some students of the Soviet Union tend to emphasize the historical continuities in the Russian experience; others, the changes in the complex responses of Soviet society to advancing industrialization. There are obviously important truths in both perspectives, and both have to be taken into account in our thinking. The Soviet system reflects the centuries of centralization, autocracy, bureaucracy, and isolation from the Western traditions which has marked the Russian experience and been carried over into the Soviet period. At the same time, it is also true that the Soviet Union is constantly in a process of change in significant re-

spects, reflecting the tugs and hauls of competing pressures and interests characteristic of developing societies elsewhere.

Notwithstanding the extreme centralization which marks Soviet institutions, the central drama of Soviet political life is between tendencies toward orthodoxy and toward modernization, contending in every aspect of domestic and foreign policy, sometimes perhaps within the minds of individual Soviet leaders.

Although in the limited public impressions we have of the Soviet Union through Western press accounts the main divisions appear to be between the dissidents and the Soviet "Establishment," the fact is that even within these groups there are significant differences, and there are many other gradations of opinion that need to be taken into account in Soviet society and Soviet political life. Although the population as a whole appears to be extremely resistant to change and largely apolitical, there can be observed at both ends of the political spectrum—among the dissidents as well as among the party elite—the modern equivalent of the dual strains in Russian history of the Slavophiles and the Westerners.

Nationalism is reflected in the Soviet Union not only among the various minority nationality groups but also among the Great Russians; similarly, the impulse toward modernizing the country along Western lines also cuts across other divisions in the political spectrum. These divisions have their effects on two of the most interesting questions affecting the present and future development of the Soviet Union.

The first of these stems from the fact

that the Soviet Union is on the threshold of a wholesale generational turnover at the upper levels of its power structure. Not necessarily in the next succession but within the foreseeable future, it is clear that an ascendant generation will be holding the levers of power, and one of the most intriguing questions before us concerns the character of that generation—men now in their forties and early fifties. We know that by and large they tend to be better educated than the present ruling group and more familiar with the outside world, but beyond that, they do not appear to be a homogenous group. Whether they will tend to move toward nationalism and orthodoxy or toward Western-style modernization, we cannot now predict. All that we can say, perhaps, is that to the extent they see their interest in a responsible involvement of their country in the world economy and the world community, they should not feel from what we do or say that this option is closed to them.

This is related to the second question: how the Soviet leadership will deal with some fundamental structural problems in the Soviet economy. Behind the problems of low productivity and lags in the advanced technological sector are organizational problems that inevitably involve anomalies in the highly centralized political control system. Conflicting approaches to the solution of these problems reflect the divisions between the impulses toward orthodoxy versus modernization mentioned earlier and also appear to have some correlation with the differences between the generations. While we should not underestimate the capability of the Soviet system to manage its problems on a day-to-day basis without any clear-cut solutions to these choices, it may have some relevance for our own policy choices that the development of economic relations with the advanced industrial societies of the West is bound to have some influence on the directions that will emerge.

External Factors

At least brief mention should be made of a few of the most important of the factors external to the Soviet Union likely to influence the course of Soviet-American relations.

The Sino-Soviet relationship obviously deeply influences the Soviet outlook, involving both rational calculations and visceral fears. Some of the effects of this Soviet preoccupation may be salutary, and some may be disadvantageous to our interests. As a general principle, our efforts to move

toward normalization of our relations with the People's Republic of China rest upon the desirability for our own interests and those of the international community of that outcome. It should not be interpreted as an effort to manipulate the geopolitical triangle in order to achieve short-term benefits. The stabilization of the strategic military competition cannot be fully realized without the participation of the People's Republic of China, and until that is possible, there will remain significant limits on how far the Soviet Union and the United States can go on a purely bilateral basis.

Among other external factors, perhaps the most important for its influence on the Soviet-American relationship is the capability of the international community to absorb the thrust of the Soviet Union toward expanding its political influence and establishing itself as a global power. It is a characteristic mark of this period in history that the rise of the Soviet Union as a world power coincides with many other profound transformations in the international order. The Soviet Union seems not to have fully perceived how much the revolutionary transformations of this age have moved from the patterns of traditional Marxist-Leninist thought, and it is not clear how Soviet aspirations will adjust to the new patterns.

In this connection, a significant practical aspect of the question is the capability of the international community to deal with the tensions and potential conflicts between the developing nations and the industrialized nations. The intersection of the East-West and the North-South divisions in international politics requires a broadening of our perspectives over those to which

we have been accustomed in the past. Here the balance between competitive and cooperative elements in the Soviet-American relationship has to be tested and assessed freshly in each particular circumstance. And here the balance between our national rivalry and our common stake in the solution of such global problems as resource food, energy, and the environment require a constant interplay between short-term advantages and longer term imperatives.

We can only claim to have approached the threshold of this problem but events move with such rapidity that we may not be granted the luxury of leisurely adjustment in our habitual modes of thought. To the codification of the restraints we seek in the Soviet-American competition as it bears on local conflict situations, we seek to add the more positive dimension of active cooperation between the Soviet Union and the United States supporting international institutions that are emerging to deal with the global problems.

¹Based on a statement before the Subcommittee on Europe and the Middle East of the House Committee on International Relations on October 26, 1977. The complete transcript of hearings will be published by the committee; will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

²For texts of the treaty and the Interim Agreement, see BULLETIN of June 26, 1977, p. 918 and 920, respectively.

³For Secretary Vance's statement, see BULLETIN of Nov. 7, 1977, p. 642.

⁴For texts, see BULLETINS of June 26, 1971, p. 926, and Oct. 18, 1971, p. 400, respectively.

⁵For text, see BULLETIN of Nov. 7, 1977, p. 639.

SUMMIT MEETINGS

Tehran	Nov. 28–Dec. 1, 1943	Roosevelt-Stalin (Churchill)
Yalta	Feb. 4–11, 1945	Roosevelt-Stalin (Churchill)
Potsdam	July 17–Aug. 2, 1945	Truman-Stalin (Churchill-Atlee)
Geneva	July 18–23, 1955	Eisenhower-Khrushchev (Eden-Faure)
Washington	Sept. 15, 1959	Eisenhower-Khrushchev
Camp David	Sept. 25–27, 1959	Eisenhower-Khrushchev
Vienna	June 3–4, 1961	Kennedy-Khrushchev
Glassboro	June 23, 25, 1967	Johnson-Kosygin
Moscow	May 22–30, 1972	Nixon-Brezhnev
Washington	June 18–26, 1973	Nixon-Brezhnev
Moscow	June 27–July 3, 1974	Nixon-Brezhnev
Valdivostok	Nov. 23–24, 1974	Ford-Brezhnev

Source: Office of the Historian, Bureau of Public Affairs

THE PRESIDENT: Television Interview

President Carter was interviewed on television by news correspondents of the major television networks—Tom Brokaw (NBC), Robert MacNeil (PBS), Katie Couric (CBS), and Barbara Walters (ABC)—on December 28, 1977. Following are excerpts relating to foreign policy.¹

C. There are a number of subjects that we want to cover tonight, including some news developments that are going on even as we speak. I want to begin, however, with a question about the trip that you are on tomorrow. It was originally postponed because you did not have the energy bill passed. It has not been passed.

A. My question is this: Aren't you going into the twin themes of your critics who complain that your energy bill has not been passed; that you have failed on the major domestic priority of your Administration; and that your foreign policy has no real definition because the trip seems to have no urgent meaning to it?

A. The only major legislation that did not pass the Congress this year was the energy bill. I was expecting to pass it. Speaker of the House Tip O'Neill [Thomas P. O'Neill, Jr., of Massachusetts] said that it was the most productive session since the first term of Franklin Roosevelt. I'll let him be the judge of that.

C. The energy legislation, I think, will be the first item on the agenda when the Congress reconvenes in January. Is there's no doubt that wherever I go on this trip—to Eastern Europe, to Western Europe, to the Mideast, to Japan—what our nation does about energy will be a prime question.

A. We are the leader of the world. We are one of the major oil producers. We are the greatest consumer, and the Congress does take action on the energy proposal that I put forward in April, and which the House of Representatives passed in August. A cloud will hang over the determination and leadership qualities of our country. So I am disappointed about

as far as the trip is concerned, it's fully planned. We began working on this trip last March, and the nations that we will visit are important to us both domestically and in our foreign relations.

Poland in Eastern Europe—a Communist government with close ties to

the Soviet Union but also friendships with us, heavy trade with the Western nations—is relatively willing to give people their religious freedom and other freedoms. We will have a good meeting, I think, in Poland.

We go from there to Iran, very close military ally of ours, a strong trade partner of ours with whom we share many political responsibilities. And then we go to India, the biggest democracy in the world, one that in recent years has turned perhaps excessively toward the Soviet Union, but under the new leadership of Prime Minister Desai is moving back toward us and assuming a good role of, I would say, neutrality. And we have a strong friendship with India. It's a strong country. They are almost self-sufficient now. They have food surpluses.

We come back from there to Saudi Arabia, our major supplier of imported oil, a nation that's worked closely with us in foreign affairs in many parts of the world; from there back to France, our historic ally, keystone in Europe. I'll have long discussions with President Giscard there, and then go back to Brussels to strengthen our relationships with the European Community and with NATO.

So every stop will be productive for us. I'll be taking the word and the good will and the sense of importance of the American people toward them in learning about those countries in the process.

But energy will be the tie that will bind us together on this trip, and I hope that this will demonstrate to the American people and to the Congress the necessity for rapid action on one of the most controversial and divisive issues that the Congress has ever faced, and that is to give our country for the first time a comprehensive energy policy.

Q. I know we'll all want to get back to just how you plan to go about getting that energy policy. But while we are on foreign policy, I'd like to ask you about the Middle East. President Sadat, I think everyone agrees, made a spectacu-

lar gesture that opened up a whole new era here. Do you feel that the Israelis have as yet made a comparable gesture? Have they been flexible enough in your view?

A. Both President Sadat and Prime Minister Begin have been bold and courageous. We've been dealing with the Mideast question as a nation for decades—in a leadership role at least within the last two Administrations. And we see the complexity of the questions and the obstacles to progress. When I first became President, we spelled out the basic issues—withdrawal from occupied territories, secure borders, the establishment of real peace, the recognition of Israel's right to be there, and dealing with the Palestinian question.

We are now in a role of supporter. We encourage them to continue with their fruitful negotiations. We try to resolve difficulties, to give advice and counsel when we are requested to do it. This is a better role for us. In the past, we've been in the unenviable position and sometimes unpleasant position, sometimes nonproductive position as mediator among parties who wouldn't even speak to each other. So I think that the progress that has been made in the last month and a half has been remarkable and has been much greater than I had anticipated. And I know Sadat and Begin well and personally and favorably.

If any two leaders on Earth have the strength and the determination and the courage to make progress toward peace in the most difficult region that I've ever known, it is Prime Minister Begin and President Sadat. There is no reason for us to be discouraged about it. We will help in every way we can to let their progress be fruitful. I think that President Sadat and Prime Minister Begin could have reached a fairly quick solution of just the Egyptian-Israeli problem in the Sinai region. But this is not what they want.

They both want to try to resolve the other questions—what is real peace; will Israel be recognized as a permanent neighbor to the countries that surround them; can the Palestinian question, the West Bank, the Gaza Strip be addressed successfully? And knowing how difficult these questions are, I have nothing but admiration, further nothing but congratulations for

them on what they have achieved so far.

Q. You are going to see King Hussein of Jordan in Tehran. President Sadat said in an interview that was broadcast on public television last night that King Hussein had told him that he was fully behind his efforts in public; until now, King Hussein's opinion has been relatively mysterious. Do you have any information that would make you agree with Mr. Sadat and are you going to discuss that with King Hussein and urge him to support the Sadat initiative when you see him?

A. I don't intend to put any pressure on King Hussein—I couldn't if I wanted to—to immediately begin to negotiate with Israel and Egypt as a partner. If he wants to do it, we would certainly welcome that. What I will try to learn, however, is what role Jordan is willing to play in the resolution of the Palestinian-West Bank problem, at what point he thinks it would be advisable for him to enter the negotiations personally as a government leader, and what we can do to get him to give his open support and encouragement to both Begin and Sadat as they struggle to resolve the differences between them.

I think King Hussein has—indeed in his private discussions with Secretary Vance and his personal communications to me—shown a very positive attitude. And in his travels around the Middle East to visit with other leaders—some who don't encourage the talks like [Syrian] President Asad, those who are very hopeful for progress, like those in Saudi Arabia—I think he's shown a constructive attitude already. But it helps me to understand on a current basis the remaining problems and in what way they can be brought in to achieve a comprehensive peace.

I think they all trust our country; our motives are good. We've never misled them. We've been honest and as a person, as a country that carried messages from one to another, and I think that this puts us in a position to exert legitimate influence. But what we've always hoped for is direct negotiations or discussions—communications among the leaders involved with our offering good offices when we are requested to do it.

Q. The chief stumbling block right now does seem to be what we might call the right of return of the Palestinians to the West Bank and the Gaza. You have in the past come out against an independent nation per se on the West Bank, but

you have also talked of the legitimate rights of the Palestinians and you have been in favor of some kind of an entity—although people are still a little obscure about what that means—an entity perhaps linked to Jordan.

Would you, in the light of the developments, now clarify your views for us today; tell us if they have changed; and if they have not, is it because the United States has decided to be neutral on this subject?

A. You've described my position very well. We do favor a homeland or an entity wherein the Palestinians can live in peace. I think Prime Minister Begin has taken a long step forward in offering to President Sadat, and indirectly to the Palestinians, self-rule.

President Sadat so far is insisting that the so-called Palestinian entity be an independent nation. My own preference is that they not be an independent nation but be tied in some way with the surrounding countries, making a choice, for instance, between Israel and Jordan.

President Sadat has not yet agreed to that position of ours. Prime Minister Begin has offered that the citizens who live in the West Bank area or the Gaza Strip be given an option to be either Israeli citizens or Jordanian citizens, to actually run for the Knesset as candidates, and to vote in elections—both national Israeli and Jordanian or local elections in the occupied territories once they are released.

But we don't have any real choice. I've expressed an opinion, but if Israel should negotiate with the surrounding countries a different solution, we would certainly support it. But my own personal opinion is that permanent peace can best be maintained if there's not a fairly radical, new independent nation in the heart of the Middle Eastern area.

Q. In view of the deadlock now, however, have you tried to convince either side of your opinion? You've had conversations with both.

A. I've expressed this opinion to President Asad, to King Hussein, to President Sadat, to Crown Prince Fahd [of Saudi Arabia], and also to Prime Minister Begin, and privately—and of course they have heard my statements publicly. Our preference is not to have an independent nation there, but we are perfectly willing to accept any reasonable solution that the parties themselves might evolve.

Q. If I could just get back to the question I asked you, do I take it that you would not pass judgment

in public, at least at this point, whether the Israelis have been flexible enough in the negotiating far. Do you think that the position that they put forward—Mr. Begin said today that there would always be Israeli troops on the West Bank and that all who wanted peace have to know that. Is that a realistic negotiating position?

A. Yes, it's certainly a realistic negotiating position.

Q. But would Mr. Sadat ever accept that?

A. I don't know. There is a great deal of flexibility there: the number of military outposts; the length of time when this interim solution might be in effect—I think Prime Minister Begin said it would be reassessed at the end of 5 years—the degree of participation of the governments of Israel and Jordan in a possible administrative arrangement. All these questions could add a tone of progress or a possibility for resolution of what seem to be insurmountable obstacles.

So I think that Prime Minister Begin already has shown a great deal of flexibility. Obviously President Sadat and King Hussein and others would have to accept (or reject) whatever proposal is put forward.

But the length of time when an interim agreement would be in effect would be negotiable and the exact relationship between the new self-government as far as its autonomy is concerned—its dependence upon subservience to the Jordanians or Israelis—all of these things are still to be negotiated. So I think there is enough flexibility at this point.

Q. Has either Egypt or Israel both, asked the United States formally yet to provide guarantees any agreement that is made?

A. In my private conversations with some of them, they have pressed to me that if a guaranteed arrangement between ourselves and Israel should be worked out, that would be acceptable to the Arab leaders. But we've never discussed between ourselves and Israel in definitive form.

My preference would be that involvement would be minimal after an agreement has been reached. But if it became a matter of having the negotiations break down completely, our having some limited role as mutually accepted among the parties involved, then we would consider that very, very favorably.

Q. There now seems to be signals coming out of Geneva—even from friends of the Administration—that we will

a SALT [Strategic Arms Limitation Talks] agreement in 1978, or at one will not get before the Senate. That's the word from Senator Alan Cranston [of California], who is known as a very good vote getter in the Senate. Is that your thinking as well, that we are not going to have a SALT agreement with the Russians during this next year?

A. I would be disappointed if we don't have a SALT agreement this year. We've made good progress on SALT I. We started out with SALT I, the Soviets having a very heavy advantage—about a three to two ratio in their favor. President Ford and Secretary Kissinger made great progress. I think, at Vladivostok and in the subsequent negotiations to produce the first indication of equality, we will maintain that posture of mutual advantage between ourselves and the Soviets.

We have added a new dimension—very tight constraints on future development of weapons, both quantitatively and also the quality of the weapons, and to reduce actually the number of destructive weapons permitted. We still have some negotiating to do. But we have made good progress on SALT. We have also been pleased with the results of negotiations with the Soviet Union on a comprehensive test ban to prohibit testing of nuclear weapons at all. And we have made progress, also, in trying to stop a military buildup in the Indian Ocean. My guess is that President Brezhnev would be likely to come here to visit after those negotiations have made some substantial progress and when there is prospect of immediate resolution of remaining differences.

I would never approve a SALT agreement nor present one to the Congress that didn't have an adequate degree of verification of compliance which didn't protect the right of our own country to defend itself and carry out our domestic and foreign policy. Whatever I put forward to the Congress will be good for our nation. We've had a maximum degree of involvement by the Congress. We've had Senators in Europe at the negotiating table. And we've kept them informed as the progress is made. So my guess is that 1978 will be successful, and my guess is that when we present it to the Congress, the SALT agreement will be approved.

It is reported that Vice President Mondale with you, of course,

is working on a list of your top priorities for next year with the feeling perhaps that you had too many top priorities this year to give to Congress. Can you tell us what the top two or three priorities would be and can you tell us if it would include a national health insurance program which organized labor feels you promised to introduce this year?

A. Yes, I intend to introduce a national health program to the Congress this year, late in this session. They can't pass it this year, but it will be introduced. Dealing with the economy—which we've just discussed—would be a top priority. Completing work on the energy package would be the first specific thing that we'll do. One of the most important is to resolve the Panama Canal treaty question.²

About 75 years ago in the middle of the night the American Secretary of State signed the Panama Canal treaty that presently is in existence. No Panamanian has ever signed it; no Panamanian ever saw it before it was signed. It was signed by a Frenchman who benefited financially from the terms of the treaty on behalf of the Panamanians. That treaty gave us a chance to do a tremendous job in building the Panama Canal, keeping it open for international shipping. It's helped our country a lot. It's something of which we can be proud.

Presidents Eisenhower and Kennedy recognized that the present treaty was inadequate. President Johnson started negotiations to change it. Presidents Nixon and Ford continued, and we concluded it this year.

It's one of the most difficult political questions that we'll have to deal with. It's going to take a lot of time in the Congress to pass it. What we wanted was one that treated us and Panama fairly, and we got it. We wanted a treaty that did not put a financial burden on the American taxpayer, and we got it. We wanted treaties that would guarantee proper operation of the Panama Canal itself—for us and for foreign shipping—and we got it. We wanted treaties that would also guarantee us permanently the right to take what action we think necessary to keep the canal safe, to defend it, and to keep it open for us to use, and we got it.

We wanted a treaty—two treaties there are [Panama Canal Treaty and Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal]—that would give us the right for expeditious passage in

time of need or emergency, for our ships to go to the head of the line and go through the canal without delay, and we got it. We wanted treaties also that would be acceptable in the eyes of the international community, particularly in Latin America, and we got them.

So this is what we have tried to do under four Presidents, and we have finally succeeded. And I would say that that would be one of the most difficult challenges that we have politically this year. It is absolutely crucial that the Senate ratify these treaties, and I think the terms are very favorable to us and to Panama.

Q. You've got all that in the treaty. Do you have the votes in the Senate?

A. I think we will get the votes in the Senate.

Q. Do you not now have them?

A. I can't say for sure that we do because many Senators still haven't expressed their commitment to me or their opinion. But I was talking to President Ford this past week who's strongly supportive of the treaties, along with Secretary Kissinger and others, and he said that in his speeches to college groups and others around the nation that he is getting an increasingly favorable response from the audience. I think public opinion is building up for the treaties as they know the terms of them.

Q. Could we interpret this as the beginning of a new campaign on your part to get out and sell the treaty? You've been criticized for having left the ground to the opposition somewhat. Are you going to make a major effort personally to try and sell it?

A. Yes, I consider it one of my most important responsibilities.

Q. And can you meet the deadline? President [Chief of Government General Omar] Torrijos has set April—which he says is urgent—and that Panama's patience could be exhausted.

A. No, I don't feel any constraint to operate under a deadline, but both Senator Byrd [Robert C. Byrd of West Virginia] and I and the leaders of the Senate all hope that we can resolve that issue early in the year, certainly I think by April.

Q. On that—since, by the way, just to get back to my original questions—it seems that your priorities next year are very similar to your priorities this year, energy and the economy. But in October, you and President Torrijos issued a joint statement to remove the doubts about the rights of the

United States to defend the neutrality of the canal and also the right of ships to pass promptly through it.³ A number of Senators have felt that they might be more comfortable with this if it were actually written into the treaty. Would you be willing to see the treaty amended so that it would reflect this understanding, this statement between you and General Torrijos?

A. No, I think it would be good to have a signed agreement between me and President Torrijos, and he has indicated he would be glad to sign that statement that was made and, of course, I would too. I think the Senate could express an understanding that the treaty was being approved by them with the understanding that this was a proper interpretation. But to actually amend the treaty would require Panama to have another referendum on the subject and they've already had one.

Many people in Panama think that the treaties are too favorable to the United States. And I don't think it would be fair to them after they negotiated in good faith to cause them to have a completely new referendum. I would certainly hate to have two ratification votes in the Senate, separated by several months. So I think that the Senate can very well express its understanding of what the treaties mean. We can exchange documents with the Panamanian leader. To amend the treaties, though, I think would be inadvisable.

Q. Abraham Lincoln said just toward the end of his Presidency—he said, I must confess that events have controlled me rather than the other way around. I wonder, looking back over your first year, how do you feel about this first year?

A. I feel good about it. It's been exciting and stimulating and challenging and sometimes frustrating experience for me.

Q. Were you controlled by events?

A. I think—yes, I think so. I've tried to represent what the American people want me to be and what they are. I noticed one of the news commentators the other night said that when I said during the campaign that I wanted a government as good as the American people are, that it was demagoguery. I don't think that's accurate. You know the American people are good and decent and idealistic. And I think they want their government to be good and decent and idealistic.

One of the most popular things that I've tried to do is to express to the world our own peoples' commitment to basic human rights—to freedom and independence and autonomy, the worth of a human being—whether they live here or in Russia or in South America or in Uganda or China. And I doubt that there's a national leader in the world now who doesn't think about human rights every day and how his or her actions are measured against a standard that the world is beginning to demand.

So I think what I've tried to do is to see what is good in our nation, in our people, in our past, and try to preserve it and to deal with changing events to the best of my ability. I've got a good Cabinet. I've had good cooperation and support from the Congress who recognized my newness in Washington. And overall, although I see great problems ahead of us, I feel confident.

I got my staff—the National Security Council—today to give me an analysis of the world situation as it was a year ago and the comparison doesn't look bad. I think we are trusted now where we weren't before—say in Africa, primarily because of the influence of [U.S. Ambassador to the United Nations] Andrew Young. I believe that our intentions are recognized as being good. So in all I think it's been a good year for us.

Q. Can you tell us what you think has been your greatest single achievement this past year and also—even though we hear that you don't have sleepless nights, everyone makes mistakes—what do you think your biggest mistake has been?

A. I think my biggest mistake has been in inadvertently building up expectations too high. I underestimated the difficulty and the time required

for Congress to take action on controversial measures. It's much easier for me to study and evolve and present legislation to the Congress than it is for them to pass it in its final form. And I've dashed some hopes and appointed people that thought I might act quicker.

I think that the achievements not measured in how many bills were passed and how many bills I signed or even my harmony with the Congress. If I have achieved anything, it's been to restore a tone to our nation's life and attitude that most accurately exemplifies what I stand for. I use the human rights issue as one example. It gratifies me to know that the nations in Africa now look to us with friendship and with trust whereas, just a short time ago, they wouldn't permit our Secretary of State to come in their country.

It gratifies me to see a burgeoning friendship with Latin American nations and to see our NATO allies recommitting themselves to strong military commitments, and it gratifies me to see some progress being made in relieving tensions between ourselves and the Soviet Union. We are making slow, steady progress. We are attempting many things simultaneously. Sometimes they get confused because they are so voluminous and so many of them.

But I think having our nation's government represent more accurately the hopes and dreams of the American people is a general accomplishment of which I am most proud.

¹ For complete text, see Weekly Compilation of Presidential Documents of January 1978, p. 1941.

² For texts of treaties and related materials see BULLETINS of Oct. 17, 1977, p. 481 and Nov. 7, 1977, p. 615.

³ For text of statement of understanding Oct. 14, 1977, see BULLETIN of Nov. 7, p. 631.

News Conference

of December 15 (Excerpts)¹

I have a statement to make first about a subject of great importance to us. This is Human Rights Week around the world. I have worked day and night to make sure that a concern for human rights is woven through everything our government does, both at home and abroad.

This policy has produced some con-

trovery but is very much in keeping with the character and the history of our own country. We became an independent nation in a struggle for human rights. There have been many such struggles since then—for abolition of slavery, for universal suffrage, for racial equality, for the rights of workers, for women's rights.

Not all of these struggles have yet been won. But the freedom and the honor of our own national public life is evidence of the rights and the liberties that we have achieved. I believe that public life everywhere, in all nations, should have that same freedom and vigor.

We have no wish to tell other nations what political or social systems they should have, but we want our worldwide influence to reduce human suffering and not to increase it. This is equally true whether the cause of suffering be hunger on the one hand or tyranny on the other. We are, therefore, working to advance a full range of human rights—economic and social as well as civil and political.

The Universal Declaration and other international human rights covenants mean that one nation may criticize another's treatment of its citizens without regarding each other as enemies. We will continue to do this, just as we welcome the scrutiny and criticism of ourselves as part of the normal dealings between nations. We have strengthened our foreign policy on human rights, and we are making it be known clearly that the United States stands for the victims of repression. We stand with the tortured and the unjustly imprisoned and with those who have been silenced.

Other governments and the dissidents in Eastern Europe and the political prisoners in Latin America and Africa know where we stand. We have spoken out against the gross violations of human rights in countries like Cambodia and South Africa and Uganda. We have received exiles from many other countries—exiles who represent those who are unable to speak freely in their own lands.

We have encouraged several countries to permit inspection of human rights situations by the International Committee of the Red Cross. We have reduced military relationships with some countries in the past who seemed to support repressive regimes.

Our foreign assistance programs will now reflect more clearly our concern about human rights. We will continue to lead the fight in the United Nations sponsored by Costa Rica to establish an Office of the High Commissioner on Human Rights. We support the private and independent human rights organizations which gather information and support activities in the human rights field.

In the past year, human rights has become an issue that no government

on Earth can now afford to ignore. There have been numerous instances of improvement. Some represent genuine change, some are only cosmetic in nature. But we welcome them all because they reflect a relief of suffering people and persecuted people.

The results of our human rights policy will seldom be dramatic. There will be tensions along the way, and we will often be perceived as either being too rash or too timid. But this is a small risk compared to the risk assumed by brave men and women who live where repression has not yet yielded to liberty.

My personal commitment to human rights is very strong. The American people feel as I do. Our government will continue to express that commitment and not ever hide it. And we will always encourage other nations to join us.

Q. There are reports that Prime Minister Begin is bringing along some of his peace proposals to discuss with you. My question is, if the United States underwrites peace, will we have a say in terms of what real peace is; if it gives economic aid, psychological aid, security, and so forth?

A. Our hope and our goal has been that the nations directly involved in the Middle Eastern crisis—the Middle Eastern disputes—would meet directly with one another and reach agreements that would encompass three basic questions. One is the definition of real peace, genuine peace, predictable peace, relationships among human beings that might transcend the incumbency of any particular leader. I think President Sadat has made a major stride already in the achievement of what is real peace.

The second one is the withdrawal of the Israelis from territory and, at the same time, the assurance that they would have secure borders.

And the third one, of course, is to resolve the Palestinian question. As I have said before, the direct negotiations between Egypt and Israel is a major step forward.

We are attending the Cairo conference and will offer our good services when it is needed. But the basic responsibility will be on the shoulders of the two nations directly involved.

As you know, U.N. observers are also there. Other countries were invited by President Sadat to attend—Lebanon, Syria, Jordan, and the Soviet Union. They have not yet accepted that invitation. We are not trying to define the terms of peace. Anything that is acceptable to Israel and

her neighbors will certainly be acceptable to us.

But we are always available, I hope, as a trusted intermediary on occasion to break a deadlock or add a supportive word or in a way to introduce one of those leaders to another and convince the opposite party that each leader is acting in good faith.

I have no idea what proposals, if any, Prime Minister Begin will bring to me tomorrow morning. But he and I will meet privately—just the two of us—for a while at his request, and I will listen to what his report might be, and we will be as constructive as we have been in the past.

Q. Do you have any idea of what the outcome of the Cairo conference will be in terms of goals?

A. I have hopes, but obviously I can't predict what will occur. We have always hoped that even when some of the nations choose not to participate that the nations who do negotiate could move a major step forward toward an ultimate comprehensive peace settlement.

Both Prime Minister Begin and President Sadat have stated publicly and repeatedly that they are not seeking strictly a bilateral or two-nation agreement. They recognize that an agreement in the Sinai without involving the West Bank, the Gaza Strip, the Golan Heights, could not be a permanent resolution of territorial differences. And if they ignore the Palestinian question this would still not result in permanent peace, and if the Palestinian question is not addressed, again, it would not be an adequate step toward permanent peace.

So I think, obviously, this is a good first step. I would hope that in Cairo itself, even if the other nations don't choose to attend, that Egypt and Israel can make a major stride toward a comprehensive peace that would at least address in definitive terms the questions that also involve Palestinians, Jordanians, Syrians, and Lebanese.

Q. I take it from your description of the U.S. role in the Mideast that it is not your intention to endorse specific proposals; that is to say, if Mr. Begin or anyone else presents to you what they hope to do, that they would not be able to go back to a peace conference and say, "Jimmy Carter says that this is what he likes."

A. That is a fairly good assessment. I stay in close touch with most of the Middle Eastern leaders, certainly President Sadat. We exchange communications several times a

week. Cy Vance is returning from the Middle East tonight, and he will give me a very definitive analysis of the attitude of all the Middle Eastern leaders involved, plus Saudi Arabia, one step removed geographically.

I think I know at least in general terms what would be acceptable to President Sadat, maybe not as a final conclusive agreement but as an interim step or major step, toward a final agreement. And if Prime Minister Begin's proposal, in my own personal judgment, is conducive to a step in the right direction and would be acceptable to President Sadat, then I would certainly privately tell him, "This is a very good step."

If it should be far short of what I think President Sadat could accept without very serious political consequences and serious disappointment in Egypt and the rest of the world, I would have no reticence about telling Prime Minister Begin privately, "I just don't think this goes far enough." But I would not be the ultimate judge of whether it would be acceptable to the Egyptians or not. That would be up to President Sadat.

Q. Do you feel that the Soviet Union in recent months has been in any way helpful in trying to bring peace to the Middle East, and how do you regard U.S.-Soviet relations as we come to the end of this year?

A. I think our relations with them are much better than they were shortly after I became President. I think they have gotten to know me and my attitudes; I think I have gotten to know them and their attitudes much better than before, on the Strategic Arms Limitation Talks, a comprehensive test ban, the Indian Ocean, and many other items. We have had a very constructive relationship with the Soviet Union which I think is constantly improving. I think the Soviets have been much more constructive in the Middle East than they formerly had.

Obviously, they have not been as constructive as I would like to have seen. The Soviets, for instance, were invited to attend the Cairo conference, along with other nations. They were invited by President Sadat. They chose to decline the invitation. I wished that they had accepted. The Syrians have chosen to decline. I have no evidence that the Soviets have had to use their influence on the Syrians to prevent their attendance. I think this was a decision made by President Asad in Syria.

So I would say the Soviets have not been very constructive yet. They have

not been nearly as much of an obstacle as they apparently were in the past.

Our general relationships with the Soviets are very good, and my hope is that they will continue to cooperate in the future when we go past Cairo toward an ultimate Geneva conference. I was well pleased with the joint Soviet and American statement.² Although it is not a definitive solution, obviously, it has no obstacles in it which would prevent an ultimate resolution of the Middle East differences.

So I would say it is a mixed assessment. In general, though, they could have been much worse.

Q. Your preference for a general or comprehensive settlement in the Middle East is quite understandable, one that could be endorsed by all the interested parties. But I wonder if you think, in light of what has happened since President Sadat's visit, since many people feel that Israel has no real worries about a one-time war, that if an agreement—formal or informal—even a real warming takes place between Israel and Egypt, that you could have de facto peace in the Middle East, perhaps not as neat and wrapped up as a treaty, that would be a major accomplishment in itself? And do you think that it may have to come to that as a result of President Asad's opposition to the talks and the Palestine Liberation Organization (PLO)?

A. Our immediate hope and goal is that any peace move made by Israel and Egypt would be acceptable to the moderate Arab leaders in the Middle East, certainly King Hussein in Jordan, certainly the Saudi Arabians. We have had good indications in my personal visits with President Asad that he wants to resolve the differences. Lebanon is heavily influenced, as you know, by Syrian presence there. The PLO have been completely negative. They have not been cooperative at all.

In spite of my own indirect invitation to them and the direct invitations by Sadat and by Asad, by King Hussein, by King Khalid in Saudi Arabia, the PLO have refused to make any move toward a peaceful attitude. They have completely rejected U.N. Resolutions 242 and 338. They have refused to make a public acknowledgement that Israel has a right to exist, to exist in peace. So I think they have, themselves, removed the PLO from any immediate prospect of participation in a peace discussion.

But I certainly would not ascribe

that sort of intransigence or negative attitude toward any of the other parties who have been mentioned as possible participants. We want to be sure that at least moderate Palestinians are included in the discussions. And this is an attitude that is mirrored not only by myself but also by Prime Minister Begin, President Sadat, and other. So I think they are all major steps, already having been taken, to delineate those who are immediately eager to conclude a step toward peace—those like President Asad who will wait awhile to see what does occur, see the Golan Heights question can be resolved and so forth, and those who have, in effect, removed themselves from serious consideration like the PLO.

Q. Your foreign trip is taking you to a disparate range of countries, and the schedule offers fair limited time for exchange with other heads of state.³ Can you tell us what overall objective you have in mind for this trip and if there are any foreign policy theme that you want to accomplish? I would like to add to that, do you intend to press this issue of human rights that you mentioned earlier in your stops in Poland and Iran?

A. Yes, I do intend to press the subject of human rights. My time aside for negotiations with foreign leaders where I will visit is equivalent to the time that I set aside for discussions with foreign leaders who come here and visit me. There are literally weeks of preparation that go into a visit to any country, days of preparation on my own part.

I will spend a lot of my time over the Christmas holidays reading the notebooks on the nations to be visited. Each nation is different. I will start off my trip with Poland. I think it is very important that an American President indicate our interest in Eastern European countries. Poland is one that has very close ties to us. We have strong trade relationships with Poland.

And my presence there is just as important as is the presence of President Brezhnev when he visits a nation like France or Germany. We will be discussing a broad range of questions with Poland. We are just making a brief stop in Saudi Arabia and Iran and from India. But we will have time for several hours of intensive discussions with the leaders in the two Middle Eastern countries.

They are major suppliers of oil to ourselves and to the rest of the world. They have a major political and military

influence in the Middle East. It is very important that I let their people and those leaders know that I care about our friendship with them and vice versa. India, as you know, is the world's largest democracy, with hundreds of millions of people.

In the past under Mrs. Gandhi, our primary orientation shifted toward friendship with the Soviet Union. I would like very much for the people of India, for Prime Minister Indira Gandhi, with whom I have a continuing correspondence, to know how much we value a restoration of those strong ties of friendship, trade, commerce, and culture. I think this is a very important consideration for me.

I have already visited England. Early next summer or late spring, I will be visiting West Germany and I particularly wanted to visit France, as well. When I was in London last May, President Giscard particularly asked me if I could come to France later this year—late this year. I replied that I would if I could schedule it. So, I am very eager to negotiate major problems with France. They have a much greater historical presence, for instance, in Africa, than do we. I think many of the African nations, particularly those who speak French, look toward France as a source of advice and counsel, eco-

nomics aid to them. It will help me to have a better avenue or understanding of Africa to meet with Giscard.

France is not a member of NATO.⁴ But they are very supportive of the European defense effort. They retain very rigidly their autonomy and independence from the influence of other countries, which is good. But I want to discuss with Giscard our negotiations with the Soviet Union, our influence in the Middle East, our growing influence in Africa.

Of course, to visit NATO headquarters is important, as well, because we are trying to increase our contribution and our influence in NATO.

Those trips are not tied harmoniously or homogeneously together because each country is unique, each visit will be unique, and I will prepare each one to get maximum benefit from it.

¹ For the full text, see Weekly Compilation of Presidential Documents of Dec. 19, 1977, p. 1867.

² For text of the statement issued on Oct. 1, 1977, see BULLETIN of Nov. 7, p. 639.

³ President Carter visited Poland, Iran, India, Saudi Arabia, Egypt, France, and Belgium Dec. 29, 1977-Jan. 6, 1978.

⁴ France does not participate in the military activities of NATO but it is a member of that Organization.

Carter Administration's First-Year Accomplishments

White House Summary¹

In his commencement address at the University of Notre Dame on May 22, the President outlined the objectives of our foreign policy and described the strands that connect our actions overseas with our essential character as a nation.

He declared his belief that we can have a foreign policy that is democratic, that is based on fundamental values, and that uses power and influence . . . for humane purposes. We can also have a foreign policy that the American people both support . . . and understand. . . .

Our policy must be open; it must be candid; it must be one of constructive global involvement, resting on the cardinal principles.

First, we have reaffirmed America's commitment to human rights as a fundamental tenet of our foreign policy.

"Second, we have moved deliberately to reinforce the bonds among . . . democracies."

"Third, we have moved to engage the Soviet Union in a joint effort to halt the strategic arms race."

"Fourth, we are taking deliberate steps to improve the chances of lasting peace in the Middle East."

"Fifth, we are attempting . . . to reduce the danger of nuclear proliferation and the worldwide spread of conventional weapons."²

The Administration, by its work in international affairs this year, has sought to carry out the objectives which the President set forth at Notre Dame. Among the principal accomplishments in the realm of foreign policy and national security are these.

Human Rights

The President has strengthened our human rights policy, and we are let-

ting it be known clearly that the United States stands with the victims of repression. We are also working to advance the full range of human rights—economic and social as well as civil and political. He has signed the American Convention on Human Rights [June 1], the International Covenant on Economic, Social and Cultural Rights [October 5]. Our foreign assistance programs will reflect more clearly our human rights concerns.

We have encouraged several countries to permit inspection visits from the International Committee of the Red Cross. We are strongly supporting international organizations concerned with human rights, particularly the Inter-American Commission on Human Rights, whose budget was tripled this year.

Nuclear Proliferation

The Administration has developed a comprehensive policy covering domestic and export activities and has initiated an international, technical evaluation of the entire nuclear fuel cycle. The President signed [on May 26] Protocol I of the treaty of Tlatelolco, which creates a nuclear weapons-free zone in Latin America.

Arms Transfers

For the first time, the United States has adopted a policy of restraining both the number and the kinds of American arms sold abroad. We have also begun to discuss restraint with other major arms suppliers.

Strategic Arms Limitation Talks

At the end of the last Administration, the SALT negotiations were at a stalemate. The efforts of this Administration, beginning with the March proposal set forth by Secretary Vance in Moscow, have resulted in major progress in the SALT negotiations. We are now working on a comprehensive settlement consisting of a treaty to last through 1985, a 3-year protocol, and a statement of principles to guide the SALT III negotiations. Almost all the major issues are now resolved, and we anticipate completion of a SALT II treaty in the early part of next year.

Panama Canal Treaties

After 14 years of negotiations under four U.S. Presidents, the United States and Panama adjusted their relationship as it applies to the Panama Canal. President Carter and Gen. Omar Torrijos signed two canal treaties on September 7, 1977, which

would gradually transfer responsibility for the operation and defense of a neutral canal to Panama. The treaties gave the United States the permanent right to defend the canal's neutrality.

Comprehensive Test Ban

Negotiations are underway on a treaty banning all nuclear explosions.

North-South Relations

The U.S. image in the less developed world and the United Nations has changed dramatically from that of an adversary to that of a potential partner. In the Security Council debate on Africa, we played a mediating role. Our arms control policies have made a favorable impression on the U.N.'s annual review of disarmament issues. We played a constructive role in the Maputo and Lagos conferences. And we participated, for the first time, in an Association of South East Asian Nations ministerial meeting. The appointment of Ambassador Andrew Young [as U.S. Permanent Representative to the United Nations] highlighted our concern for the Third World.

Western Europe

The Administration has participated in a successful Belgrade Conference on Security and Cooperation in Europe, including a review of human rights; prepared another mutual and balanced force reductions proposal to advance talks; inaugurated four NATO efforts (the long-term defense program, the short-term improvements, the "two-way street" in defense purchases, the East-West study); agreed to provide a \$300 million loan and forged a multinational consortium to help democracy in Portugal; and secured a major International Monetary Fund loan for Italy.

Soviet Union-Eastern Europe

The Administration has put the U.S.-Soviet relationship on a more reciprocal, realistic, and what we hope will be an ultimately more productive basis for both nations. The Administration has improved relations with various Eastern European countries, including Yugoslavia, as a result of the Vice President's visit, and Poland, as a result of Secretary [of Commerce] Kreps' visit and the President's scheduled state visit.

Arab-Israeli Conflict

The Administration stressed the need for a comprehensive settlement

which has three core elements: definition of the nature of the peace, establishment of recognized borders and security, and resolution of the Palestinian question. We have urged, with considerable success, the Arabs and the Israelis to be forthcoming on peace commitments, direct negotiations, and peace treaties. We have supported the Sadat-Begin dialogue.

People's Republic of China

The Administration has followed the Shanghai communique in efforts toward normalization of relations, while emphasizing the mutuality of efforts necessary to complete the process. Recognizing their strategic importance, we have also continued to develop a consultative relationship with the Chinese on global affairs.

Korea

The details of the Korean ground troop withdrawal plan have been designed to alleviate major Asian apprehensions that the United States is in the process of disengaging from the region.

Vietnam

The Administration has started the process of normalizing relations through talks in Paris and has established a mechanism to continue to try to account for our servicemen still missing in action.

Africa

Vice President Mondale informed Prime Minister Vorster in Vienna that U.S.-South Africa relations depended

upon South Africa moving away from apartheid. With the British, we offered a plan for Rhodesian independence. We initiated a five power group to negotiate toward an independent Namibia. We have restored good relations, based on mutual respect, with black African states of all political leanings.

Latin America

The Administration has developed a new global approach to Latin America and the Caribbean, one which recognizes the diversity of the region rather than one which pretends a single policy identified by a simple slogan. (This approach has been well-received in the region.) The President signed the Panama Canal treaties. Through direct negotiations with Cuba, we have concluded a fisheries agreement and established an interest section in each country. We have ratified an exchange of prisoners treaty with Mexico and negotiated one with Bolivia. We have adopted a comprehensive policy for the Caribbean and have been joined by 28 nations and 16 international institutions to establish a Caribbean Group for Cooperation in Economic Development. We have dramatically improved our relations with a number of countries including Venezuela, Jamaica, Peru, and Mexico.

London Summit

With the leaders of major industrial democracies, the President reached agreement at the London summit on a common program for international economic cooperation.

Multilateral Trade Negotiations

The Administration has reached agreement with the European Economic Community on a timetable for negotiations, breaking a long stalemate.

Defense and Security

The Administration has formulated a comprehensive, national defense strategy which includes an overall American posture toward the Soviet Union. The President reached a decision not to produce the B-1 bomber but to proceed with cruise missiles.

Intelligence

The Administration has reorganized the intelligence agencies and has taken comprehensive steps to protect telecommunications.

President Carter's Trip

As the BULLETIN goes to press, President Carter is completing his trip to seven countries in Europe, the Middle East, and South Asia:

Dec. 29	Poland
Dec. 31	Iran
Jan. 1	India
Jan. 3	Saudi Arabia
Jan. 4	Egypt, France
Jan. 6	Belgium

The February issue will carry complete documentation on this trip, including the President's news conference in Warsaw and addresses in New Delhi and Paris. □

International Communications

The Administration has established a new International Communication Agency to replace the U.S. Information Agency and the Bureau of Educational and Cultural Affairs in the Department of State.

Defense Budget Reduction

The President met his campaign pledge to cut military spending by

\$5-7 billion. The Ford budget for fiscal year 1978 was \$123 billion. The Carter budget is \$117 billion, as approved by Congress. □

¹ Issued as a press release by the White House on Dec. 17, 1977, which also included domestic accomplishments (text from Weekly Compilation of Presidential Documents of Dec. 26).

² For the full text, see BULLETIN of June 13, 1977, p. 621.

THE SECRETARY: News Conference of December 6¹

Before I take your questions, I'd like to make a few opening remarks about the important developments that have been occurring in the Middle East.

The President has already stated the admiration and respect of our government for the leadership of President Sadat and Prime Minister Begin. They have broken through psychological barriers which have impeded progress toward peace in the Middle East for three decades. As a result, an irreversible process has begun. The leader of the largest Arab state has been received in Israel before the eyes of the whole world. This single act has done more than any number of words could to sweep away doubts about the sincerity of both governments in seeking an end to bloodshed and strife.

From the first days of this Administration, we—like our predecessors—have sought to get the parties talking directly with each other in serious negotiations. Now these two strong leaders have done just that, leaping over inhibitions of the past and procedural quarrels of the present.

Changes so fundamental inevitably stimulate a variety of reactions. There clearly are now crosscurrents at work—some bringing the parties closer together, some moving them apart. We believe our proper role at this point is to support and reinforce the former while using our relationships across the spectrum to moderate the latter. I will be seeking to do both on my trip to the area [December 9-15].

The President wants to be sure that the Middle East leaders fully understand that the present Egyptian-Israeli initiatives have our full support and that they know our support is fully consistent with our continuing dedication to the objective of a comprehensive Middle East peace settlement. We believe that all the parties to the Geneva

conference remain committed to that goal.

President Sadat and Prime Minister Begin have made a breakthrough, and we intend to help them wherever possible to enlarge that opening. They and the other leaders concerned in peace efforts have told us they want us to continue our role. In the past, when there was no movement, our proper role was to take the initiative in stimulating new ways of acting and thinking. Today, when leaders in the area are boldly moving forward, our proper role is to support their progress and help broaden it to all fronts in the continuing search for a final settlement. All the leaders have welcomed my visit, and I look forward to receiving their counsel and their views.

Q. When you say in your statement that all the parties remain committed, do you include the Soviet Union? And Mr. Habib's trip to Moscow; is that designed, at least in part, to tell the Soviets they haven't been as constructive as we would like them to have been with the Syrians and the PLO [Palestine Liberation Organization]?²

A. Insofar as the Soviet Union is concerned, they consider to have their responsibilities as one of the two cochairmen of the Geneva conference. Some of the statements which they have made in recent days have not been helpful; they raise questions.

I look forward to meeting with Mr. Habib when I get to Brussels [December 7-9], where he will report to me on his discussions with the Soviets during the last 2 days.

Q. The enthusiasm that you show for the Sadat-Begin talks seems to be somewhat tardy. There was a long pause in this capital when they started. Has this, in fact, represented a reassessment of American policy?

A. Let me first address your question of being tardy. As soon as the statement of the Cairo conference was made [by President Sadat on November 26], we indicated that we believed that it could play a helpful role but that we wished to consult with all of the parties. We did that consultation over the weekend and made a statement—which I think was clearly a very positive statement—on Monday following our consultations.

We do, as I have indicated, support very strongly this initiative. We believe that it can be a steppingstone toward peace, and we shall do all that we can within our power to help support that effort as it moves forward.

Q. Is it now conceivable, in the light of American policy, that there could be a settlement without a Geneva conference?

A. It is possible, but all of the parties have said that it is their intention to move toward a Geneva conference. That has been stated by Prime Minister Begin, by President Sadat, and the others have indicated also their desire to go to a Geneva conference. So that as of the moment all of the parties appear to wish ultimately to go to a Geneva conference.

However, we have first the Cairo conference [December 14], and we have to see how much can be accomplished during the Cairo conference. I hope that much can be accomplished during the Cairo conference.

Q. When you say "all the leaders have welcomed my visit," are you saying that Syria has accepted receiving you?

A. Yes, they have, and they have said they welcome the visit.

Q. Is there any reason to think that Syria would see the Cairo conference as a step on the way to a Geneva conference? Any communications or any actions by Syria that would—

A. No. I have nothing at this point that would indicate that. Indeed, the indications as a result of the statement which was made at Tripoli yesterday would indicate the contrary. However, the Syrians have indicated they welcomed my visit to discuss the issues. They have never said that they close the door to a Geneva conference and an ultimate settlement, and I look forward to my discussions with President Asad to find his views as to how he believes one should proceed from here.

Q. Breaking the psychological barrier would be a guarantee to bring peace to the Middle East?

A. I think the breaking of the psychological barrier is an historic event. I think, as I said I believe at my

last press conference, that the principal obstacle to peace was the psychological barrier that existed as the parties moved forward and came closer and closer to serious face-to-face negotiations; and I think by the steps which were taken in President Sadat's trip to Jerusalem [November 19-21] and by his reception there by Prime Minister Begin and the Israeli people that a barrier really was broken and that a sea change was effected that will have events following upon them in a fashion which is irreversible.

Q. Have the recent developments in the Middle East shaken, challenged, or changed any of the basic assumptions and directions of Administration policy?

A. We have always, as I indicated—as did our predecessors—strived for the objective of bringing the parties face-to-face in negotiations. We have said—as did our predecessors—that the only way there could be a solution was for the parties to negotiate that solution themselves. Therefore, I believe that the steps which we are seeing now in terms of face-to-face negotiations are of fundamental importance, and I hope that that circle of face-to-face negotiations will be widened and that others will join.

Q. Does that not change the original nature of the Geneva conference as a meeting place to stimulate face-to-face negotiations where, in fact, you have them started now; and does that not change the process in terms of the necessity for the immediacy of a Geneva conference to be a launching pad for talks, whereas you have the talks going on now? Can you expound on that?

A. I'll be glad to expound on that. The process of serious discussions could have started at Geneva had the parties been willing to do so. It can also start in the Cairo discussions in the circumstances that now exist.

I think that we should seize any opportunity, and we should not concern ourselves about the forum in which the peace process starts to enter upon serious discussions and that, therefore, with this new initiative having been taken, we should support it; and we would hope that others would join in the process, as I've indicated, as it moves forward.

Q. Does this raise a possibility of a sequence of conferences like Cairo, or extensions of Cairo, which could take place before there would be a Geneva conference for the purposes of formalizing an agreement?

A. I think it is too early to say exactly what the length and form of the Cairo conference will be. That will be

up to the parties once the discussions get under way. They have put no time limits on that particular conference, but they have stated that this was preparatory toward a Geneva conference.

Q. One, with the principle of direct talks now established between Israel and an Arab country, what do you see as the future role for the United States, if any? And secondly, in that connection, on this trip, why do you feel that you have to go out personally? I mean, do you doubt that the Middle East leaders fully understand that you strongly support the present Egyptian-Israeli initiatives and that they know your support is fully consistent with continuing dedication to—

A. Your first question is which?

Q. With the principle of direct talks now established, what do you see as the future role for the United States?

A. The role for the United States at this point, as I indicated in my opening statement, I believe is to be supportive and facilitate the direct talks which are getting under way in the Cairo conference and to work with the parties to help them move forward in their direct talks.

As we go along, they may wish us to play a greater role, and if they do, we are prepared, of course, to help in any way to move the peace process forward.

In respect to the second half of your question, why do I feel it necessary to go out to the Middle East at this time, both the President and I feel that there is no substitute for face-to-face conversations, direct talks with the leaders of the various nations involved; and we think this is particularly important at this time when there is a blockage of communications between the various leaders and that perhaps we can play a facilitating role by keeping all of those channels of communication open.

Q. On your last trip—in fact, I think on your two previous trips—you asked for and received drafts, in effect, of peace treaties, at least from the Israelis and to a lesser extent in outline form from the Egyptians. Do you feel that that process contributed to the breakthrough, and will you on this trip be asking the Jordanians, Syrians, or any of the other parties to put together in any kind of draft form what they feel an ultimate peace treaty should look like.

A. During my last trip, I asked all of the parties to provide us with drafts of peace treaties or with memoranda reflecting the essential elements of a peace treaty as they saw it. We did receive from each of the countries either

a draft peace treaty or their views with respect to the essential elements of peace treaty or treaties. I think that they have been helpful, and at this point I don't think that there is any need for us to ask for further work on their part, but we will undoubtedly be discussing their current views with respect to the elements of peace treaties.

Q. Is it your intention when you meet with President Asad to try to convince him or one of his representatives to participate in the Cairo conference, and if not, what form do you see the Syrians becoming involved in in the future?

A. We have made clear to all of the parties that we would hope that they might find it possible to participate in the Cairo conference. As you know, a number of the countries have declined to do that. We hope that they will keep an open mind. I think it will be helpful to discuss with each of the leaders their views with respect to how one should proceed in light of the current situation, and I would hope, in my conversation with President Asad, to receive his views as to how he thinks one could best proceed to keep the peace process moving forward.

Q. Do you have any notion of your own, any particular framework of your own, that you would like to suggest if, in fact, he is adamant about not going to Cairo?

A. First, I think we ought to see what the parties themselves can develop on this. If they run into roadblocks on this, then, as I've said, and the President has said, new initiatives might be helpful; then we would be willing, should the parties desire to come up with some suggestions of our own.

Q. Have recent developments in South Africa, particularly the Biko verdict, had any effect on our continuing review of policy toward South Africa, any change in our relations expected now? ³

A. You're talking about South Africa itself?

Q. South Africa, the country, yes.
A. Insofar as South Africa itself is concerned, during the election campaign which was recently finished there were statements by the government that they intended to take certain actions in the postelection period which dealt with the problem of apartheid. We shall be watching to see what happens under these circumstances, and of course, it's too early to say yet what anything, may come out of this process. But I think it would be premature for me at this point to speculate what may eventuate from the South African Government.

Q. Can you tell us the current status of our thinking on economic relations with South Africa?

A. Our current thinking is that this matter is under review in the U.S. Government, as I believe I indicated to you earlier, and there have been no final conclusions reached.

Q. Just to follow up your earlier statement about the Soviet statements, you said that their recent comments have raised questions. Is it fair to surmise that their comments have raised questions about their living up, if not to the letter, to the spirit of the Soviet-American statement of October 1st?

A. They have raised questions about what their ultimate objectives are. We do believe their ultimate objective is to see a comprehensive settlement of the Middle East problem and to work as a co-chairman to that end. That is one of the reasons that, as I say, I will be looking forward to the reports of Mr. Habib's discussions in Moscow to get the latest thinking which he will have received as a result of those talks.

Q. Could you please give us your assessment of the Saudi role right now and their attitude toward the Cairo conference as you understand it?

A. It would be inappropriate for me to speak specifically for the Saudis. That is clearly up to them to do. In the past, they have played a very constructive role in connection with the Middle East problem and in seeking to facilitate a solution to this problem, and I would hope that in the future, they would continue to play such a role.

Q. Do you believe that the appropriation for the State Department is so ample that you can overlook Mrs. Azug's commission's [Bella S. Azug, Chairperson, National Commission on the Observance of International Women's Year] defiance of a State Department directive that they stop using your franking privilege for thousands of dollars a month?

A. With respect to that, Mr. Read [Benjamin H. Read, Deputy Under Secretary for Management] talked to the Commission and indicated to them that they should use their own franking privilege. It is taking a while for them to get that. They will do it—I have no question about it. It simply has not reached the point where they can do it.

Q. About a month ago, it was announced the United States would return the Crown of St. Stephen to Hungary. Since then there has been some opposition to that and apparently some delay. Even one Congresswoman said that she had been told at the White House that certain

conditions would be put on this, and I wanted to know if it is definitely going to be returned, and if there are any conditions, what they are.

A. The decision to return the crown is a firm decision. We have been holding the crown in safekeeping. We believe that the time has come when the crown should be returned. There have been a number of improvements in the relationships between our country and Hungary. They are seen in the area of the reunification problems; they are seen in the complete repayment of the debts which arose out of World War I; they have been seen in cultural, scientific, and technical agreements which have been negotiated with them; and we believe that it is appropriate under the circumstances to return it.

Q. Is there any chance that we will negotiate a trade agreement with Hungary if it should be returned?

A. That is a question which is not yet ripe for discussion.

Q. The new American enthusiasm for direct talks between Israel and the Arab states put the United States in diametric opposition to Syria, which has stated that it wants talks only in the context of Geneva and does not want direct talks.

A. First, let me take issue with your statement "the new enthusiasm." We have been urging direct talks from the outset, and there should be no question about that. That is not a new policy with us; that has been a consistent policy of the United States.

You ask, has that put the United States and the other parties in conflict with Syria? Syria has not indicated whether or not they would enter into direct conversations. What they have been raising questions about up to this point is the question of the forum in which any such talks would take place.

Q. Are you hopeful the Congress would approve an increase in military aid, including compensation aid to South Korea, in light of the Park regime's lack of cooperation with the United States in the congressional bribery scandal and repeated human rights violations in South Korea?

A. When the question of assistance goes to the Congress, I hope that it will be acted upon affirmatively. I would have to be very clear, however, in saying that such things as the Tongsun Park affair and some of the recent actions in the civil rights area—the human rights area—cannot help but have an eroding or negative effect upon the attitudes within the Congress and, I think, generally within the United States.

Q. You are going to be talking to

[British] Foreign Secretary Owen the day after tomorrow—

A. Yes.

Q. —on the Rhodesian situation? From all appearances the Anglo-American plan is as dead as a door-nail, and the play has been taken in Rhodesia by Ian Smith in his proposals for an internal settlement. I wonder if you could share with us some of your thoughts about where we go next.

A. Yes. I would be glad to. I will be meeting with Secretary Owen at the Brussels meetings on Thursday and Friday, and we will be discussing the question of southern Africa, including the Rhodesian situation. Mr. Moose, the Assistant Secretary for African Affairs, will be with me during those discussions.

I think in talking about this problem it is important in dealing with such a complex situation to keep some basic points in mind.

The only way, we believe, to resolve the problem peacefully and rapidly is through agreement on free elections open to all of the parties; secondly, by the transfer of power to a government freely chosen by the people of Zimbabwe; and third, a constitution that protects the rights of all of the people of that country, whether they be black or white. This will require that the transition agreements be fair and that they not favor any one group.

These are the goals that lie at the heart of the Anglo-American plan, and that plan we are continuing to pursue.

Coming to Mr. Smith's initiative, the Smith plan may be a step in the right direction, but it doesn't apparently provide for the kind of open elections that all parties will find fair. It is not yet clear whether it really provides for universal suffrage for all adults within the country. So that there are a number of questions that one has to find the answer to in order to determine how this fits into these essential areas which are so important.

A number of the nationalist leaders have already indicated that they are taking a look at the Smith proposals in the light of and in the framework of the Anglo-American proposal. That remains on the table and remains active and supported by both ourselves and the British.

Q. How great a setback has been dealt to the prospects in the longer term of an overall settlement and a broader peace conference by the fact that Egypt has broken relations with Syria—another one of the major parties—and may be on the verge of breaking relations with the Soviet Union?

A. I think it was too bad that President Sadat was forced to break relations with the five Arab nations.⁵ It is our hope that in time those differences may be healed, particularly insofar as Syria is concerned, and we would hope that all of the parties in the Middle East conference—or the Middle East situation in terms of the confrontation states—would keep an open mind and that the channels of communications may again be open so that there can be movement by all toward a final settlement.

Q. The time has come for Israel to make some move on the substance and for someone to say what will be supported?

A. Yes, I think that the time has come, and I think that the parties agree that the time has come, to really begin to come to grips with the question of substance and not merely with the question of procedures alone.

I think everybody knows what the questions of substance are that have to be dealt with. They are the nature of peace; they are the question of withdrawals from occupied lands; and they are, of course, the Palestinian question. These issues are going to have to be dealt with in connection with any discussions which could lead to a comprehensive peace, and I think the parties are saying—both Israel and Egypt—that they recognize that these issues have to be dealt with.

Q. There have been political executions in China. I wonder if the United States is still concerned about the situation—human rights situation—in mainland China.

A. Yes, the United States is concerned about the human rights situation in any part of the world where there are executions. The information which we have with respect to that particular situation is limited, and that is all I can say at this point on it.

Q. If the PLO were also invited to the Cairo meeting, are you intending to meet with them and, if not, how are you going to get them to the Cairo meeting?

A. No, I am not intending to meet with the PLO. As I have said to you many many times, as a result of the commitments which we made in the Sinai II agreement [September 1975], we cannot speak with the PLO unless certain conditions are met. Those conditions have not been met. There is no indication that there is any intention to meet those conditions. So, I do not expect to meet with the PLO.

Q. Can you now give us any kind of a framework for when you expect to get a Geneva conference going? I take it the first of the year is out.

A. No, I can't give you any speculation or guess on that, and I don't think it is that important. I think the important thing now is to see how much progress we can make at the Cairo conference. That is what is on the table now. Let's see what we can do and see how we can move ahead there.

Q. Would you say that the events of the past days, what with the sharp disagreements amongst the Arabs, have led us closer or further away from Geneva?

A. I think for the moment they have probably led us further away. On the other hand, I would hope that as time passes that changes will be effected and that the circle of those discussing the peace process will be enlarged again.

Q. I think it is safe to say now that there won't be a Geneva conference before the end of the year, and I think we would appreciate your reflecting backward and telling us what in your mind prevented a Geneva conference. As you look back, what one thing or several things.

A. As I indicated, I think that one of the main stumbling blocks was the psychological stumbling block, and that, I think, has been removed.

Secondly, there were still two procedural problems that were holding up a Geneva conference, and it was not possible up to the present time to work out those different views with respect to those procedural points, and those were the basic factors that made it impossible at this time to go to a Geneva conference.

Q. Has the political importance of the PLO been reduced by President Sadat's various actions?

A. It seems to me, insofar as the PLO is concerned, that the actions which they have taken recently indicate less of a willingness to consider, in a

way which might make it possible for some sort of participation, for that to happen, and so I don't think it seems likely now that that is a—

Q. Can the Palestinian issue be settled without the PLO's involvement?

A. I think that the Palestinian issue must be solved. As to exactly how that will be solved, I think we would want to look and see what the parties themselves suggest on this. I don't want to prejudge what is going to be put forward by any of the parties with respect to this issue.

Q. You said progress should be made, you should work toward progress at the Cairo conference. Since the only parties there other than the U.N. observer are Israel, Egypt, and the United States, what is the nature of progress that you would like to see?

A. I would hope that out of the Cairo conference it might be possible to come up with a framework of the substantive matters that have to be dealt with in order to achieve a comprehensive settlement; and in addition to that, the remaining procedural questions might be cleared away. I think if that were accomplished, then there would have been real progress.

¹ Text from press release 544 of Dec. 6, 1977.

² Under Secretary for Political Affairs Phil C. Habib met with U.S.S.R. officials in Moscow Dec. 5-6, 1977.

³ Mr. Biko was a black South African critic of the apartheid policies of the South African Government who died in Sept. 1977 in detention. Dec. 1977 a Pretoria magistrate, presiding at inquest, found no one criminally responsible for Mr. Biko's death.

⁴ For text see BULLETIN of Nov. 7, 1977, 639.

⁵ President Sadat broke diplomatic relations with Algeria, Iraq, Libya, South Yemen, and Syria on Dec. 5, 1977.

ARMS CONTROL: SALT and the Test Ban—Cause for Optimism

by Paul C. Warnke¹

I have been assigned today a topic which I think speaks eloquently of the emphasis that the Carter Administration has put on the subject of arms control. As you know, since January, the Carter Administration has undertaken at least 10 separate initiatives in this particular area.

They involve perhaps most prominently the negotiations with the Soviet Union on strategic arms limitations. In

addition to that, we have the comprehensive test ban negotiations, which have been going on in Geneva in addition to the Strategic Arms Limitation Talks (SALT). Also in Geneva we have been discussing the questions of banning chemical weapons and radiological weapons. We have, in addition, the Indian Ocean arms limitation talks, which we are engaged with the Soviet Union.

Pending on the horizon are such things as discussions with respect to

actions on conventional arms trans-
and the elimination of antisatellite
apons in space that could, of course,
ously jeopardize U.S.-Soviet rela-
ships and arms control objectives.

We are also involved in preparations
the Special Session on Disarma-
nt of the United Nations, which will
place next spring.

ambassador Gerard Smith and Mr.
Philip Farley are engaged on a continu-
basis with the overarching problem
avoiding the proliferation of nuclear
apons.²

On November 5 I returned from 5
weeks in Geneva, where I participated
in the discussions with delegations
from the Soviet Union on strategic
arms limitations and a comprehensive
ban treaty.

I think that most Americans and the
international community generally
favor these initiatives. They recognize
that this is the most effective way of
eliminating the chances of a confronta-
tion between the Soviet Union and the
United States leading to a war that
could devastate human society. I would
like to say, however, that the initia-
tives are not free from criticism. From
time to time, even in Geneva, I get a
faint echo of the fact that there are
people who are less than totally satisfied
with our efforts.

Curiously, there are two basic com-
plaints and, it seems to me, they repre-
sent a striking contrast. One of them is:
Why is it that we keep caving in to the
Russians and how can you trust them
anyway? And the other one is: Why
does it take you so long and why do
you get so little done?

It may come as no surprise to you to
hear that I don't think that either one of
these criticisms has any validity. I'd
like to deal with them, however, or at-
tempt to deal with them.

Negotiating Process

First, with respect to the criticism
that we are giving in to the Russians,
that we are making too many conces-
sions, and how can we trust them: I
think that particular school of criti-
cism suffers from the fact that its ad-
herents haven't really stopped to con-
sider what is the nature of arms control
negotiations.

By their very nature they are differ-
ent than other types of negotiations,
even in the international field. Arms
control is not the kind of a zero-sum
game that sometimes it's portrayed to
be. It has few of the attributes of a
commercial negotiation. What it has to
do with, in terms of substance, is the
basic security of the nations that are
engaged in the conversations. And that

basic security is going to be protected.
What that means is that either side, in
the long run can be out-traded. Ob-
viously, each side would like to end up
with an agreement in which it had all
the advantages and in which the other
side was restricted where it was not.
But that can't happen because, even if
one side should be out-traded, you
would not have a viable, durable arms
control agreement. There is no way in
which either side could get specific en-
forcement. There is no court of law to
which you could take your contract and
say I won this particular trade and I am
entitled to the fruits of my victory. In-
stead, you would find that the side that
had been out-traded would promptly
repudiate the deal in the exercise of its
sovereign rights.

So you start with the fact that you
have to end up with an arms control
agreement which is fair, which is bal-
anced, which has equal restrictions on
both sides, and provides for equal secu-
rity. Now that necessarily means a
process of hard bargaining, hard trad-
ing, but also a process of analysis in
which you have to consider what the
basic interests are of the other side. It
makes for, obviously, a prolonged and
complex sort of process.

With regard to the entire question of
arms control, moreover, there is no
way of avoiding dealing with the
Soviet Union. There are only two mili-
tary superpowers, so that we have to
proceed on the basis that we can work
out, in the final analysis, some sort of
useful agreements with the Soviet
Union that will stabilize the competi-
tion that will unquestionably continue
to exist between us. I don't think we
can proceed on the basis that arms con-
trol limitations are going to eliminate
this spirit of competition and the exist-
ence of friction between the two coun-
tries. But we don't have to be friends
in order to reach agreements which are
in the interests of both sides.

I feel very strongly that arms control
is in the interests of both sides. I think
that is the case because, even if you as-
sume a continuing competition for
world influence, that competition can
express itself in one of two ways.
Either the military competition will
proceed without restraint, or we will
find some way in which a measure of
greater sanity and greater safety can be
introduced into the relationship. That,
as I say, is in the common interest. It is
in the interests of both sides.

At the present point, despite some
comments that you read in the press,
there is a military balance between the
two countries. There is no military
superiority on the part of the Soviet
Union. I don't know of any reasonable

person, in or out of the government,
who feels otherwise. In most respects,
we maintain a qualitative edge, but it is
not a qualitative edge that gives us the
type of political domination that we
would like to have but which, basi-
cally, is unattainable given the re-
sources that exist on the side of the
Soviet Union.

So that we have the choice: We can
either continue with the military com-
petition without restraints or we can
find some way of bringing that compe-
tition under control by effective arms
control measures.

I don't think that any one of us
would be prepared to see the Soviet
Union achieve a degree of military
superiority. That might not end up with
a war, but it would certainly end up
with the kind of world in which our
interests would be subordinated.

So, essentially, I see arms control
negotiations as being a measure by
which we can best advance the security
of the United States. And I think that
we can deal with the Soviet Union be-
cause their perception has to be the
same. You don't have to trust the mo-
tives of the Soviet Union to feel that
they would negotiate in good faith on
arms control issues. You can trust any-
body to protect his own interests. And
you can trust any nation to take those
steps that will protect its national
security.

Strategic Balance

We are in a position at the present
time in which, as Defense Secretary
Harold Brown said on "Issues and An-
swers" on November 6, we have a sta-
ble strategic balance. Now by that we
mean that neither side at the present
point—no matter what the circum-
stances of international friction, no
matter what the tensions, no matter
what the provocations—would have
any incentive to initiate a first strike.
Neither side could adopt the option of
going to nuclear war.

At the present point, we have some-
thing in excess—well in excess—of
9,000 individual nuclear warheads
targeted at the Soviet Union. They
don't have anywhere near that number.
They have only something around
4,500. In each instance, it's more than
there are lucrative targets available to
strike. In each instance, it means that
the side that was attacked would be in a
position to respond with a devastating
retaliatory strike and eliminate the
other country as an industrialized
society.

That's a grim sort of picture, but it is
the best we can hope for in the way of
stability in the nuclear weapon age.

And the anomaly is that both countries continue, without restraint, to accumulate more and more in the way of nuclear arms, to spend tens of hundreds of billions of dollars. While this continues, the very best that we can hope for is that the situation won't become worse, that there won't be some sort of development which would make the strategic balance less stable.

That's a very powerful incentive for the United States to negotiate. It's a very powerful incentive for the Soviet Union to negotiate. There are other reasons that, as far as I'm concerned, tend toward good-faith negotiations in the arms control field. For the Soviet Union there are political reasons as well. It obviously is to them of importance to be seen dealing responsibly with the United States on measures that have to do with the safety of the world. There are, finally, I think, real military reasons why the Soviet Union would be prepared to negotiate in good faith on arms control. They recognize that in no event would we be willing to concede them military superiority. So the alternative is that they would be faced by actions on the part of the United States in response to their military buildup. Moreover, they have to recognize that we do have a technological lead. And then also, from the military standpoint, there is the entire question of proliferation. And the Soviet Union, just as we, has to be responsive to the danger that nuclear weapons will fall into the hands of more and more countries or subnational terrorist groups. And I have no doubt that the fact that if nuclear weapons do become that widely distributed, this would exponentially increase the risk that a nuclear weapon will someday be used in anger.

At the present point, our relationship with the Soviet Union and our common possession of nuclear weapons have reached the stage of maturity in which only insanity would motivate their use. We can't count on less stable governments with less experience in the field. And we can't certainly count on terrorist groups to exercise a comparable degree of sane restraint.

Comprehensive Test Ban

In that regard, I think that the comprehensive test ban negotiations that have been conducted in Geneva for the past 5 weeks can have very important consequences for the proliferation problem. As I'm sure you know, these negotiations are on a trilateral basis. The United Kingdom is working with the Soviet Union and the United States to try to put an end to nuclear tests. We

have had some quite severe obstacles that explain the fact that, for the past 20 years, we have been striving for a comprehensive test ban but haven't achieved it; that explains the fact that it has been 14 years since we achieved the limited test ban which put an end to atmospheric testing. One of the major problems has been the dispute between the United States and the Soviet Union as to the coverage of a comprehensive test ban treaty. It's been our view that to be truly comprehensive, to be effective, and to have the maximum inhibiting effect on proliferation, the treaty should ban all nuclear explosions, not just the weapons tests.

The Soviet Union has appeared to place a great premium on the conduct of so-called peaceful nuclear explosions (PNE)—the use of nuclear explosive devices for a variety of purposes, such as the enhancement of yields from gas and oil wells, mining operations, river diversions.

We, on the other hand, have at least for the past several years contended that, whatever the possible economic benefits might be, they are far more than offset by the advantages to both countries and to mankind of putting an end to nuclear explosions completely. Now we can't really blame the Soviet Union exclusively for adopting this position. It's not so many years back that in the United States we harbored really quite ambitious objectives for the use of PNE. At one point, for example, we considered that this might be a means of creating a new Panama Canal. However, the prospect began to seem more and more illusory. It was predicted by some that the resulting landslides might not only blot out the new canal but might put an end to the old one too. In any event, we have moved on from that view of PNE utility. But the Soviets have continued to maintain that any comprehensive test ban had to have an exclusion for peaceful nuclear explosions. Our position has been that not only would this leave the possibility of the accrual of military benefits, but it also would not have the desired effect of preventing other countries from developing their own nuclear explosive devices. You will recall that, back a few years ago, the Indian Government exploded a nuclear device which they promptly labeled as a peaceful nuclear explosive. The results, of course, are almost indistinguishable from those of a nuclear bomb because, in fact, it is a nuclear bomb.

We believe, that, from the proliferation standpoint, if the United Kingdom, the Soviet Union, and the United States all totally gave up any nuclear explo-

sions, it would be very, very difficult for any other country to face the consequences, in terms of international condemnation, if it were to become a new member of the nuclear club.

I am delighted to report that the speech that President Brezhnev made last week did, in fact, represent a very major move on the part of the Soviet Union. The Soviet negotiators in Geneva promptly confirmed the fact that he meant what he had said and that they were prepared to have a moratorium on peaceful nuclear explosions which would accompany a ban on nuclear weapons tests. There remain to be worked out a number of very severe problems, but I am much, much more optimistic than I was 10 days ago. I think that it is a very constructive move on their part. I believe that it will eventually solve this major problem.

As I indicated, there are problems that remain, particularly the question of whether other nuclear weapons states will join in a comprehensive test ban. We obviously would like to see that happen, but our feeling is that the most important prospect for ending nuclear weapons tests and nuclear explosions generally is for the countries that are the major nuclear powers, that conduct the great bulk of the tests, to enter into an agreement which would put an end to them. And, of course, the participation of the United Kingdom in this regard is of immense importance in terms of both of international support and also of showing that this is not just a deal between the two superpowers.

So with regard to this issue of nonproliferation, this is certainly one of which we and the Soviet leadership can find common ground. We have there a identity of interests which leads to distinct stimulation for our arms control initiatives.

SALT Negotiations

With respect to the SALT talks themselves, this is where the complaint is most often voiced that we are caving in to the Russians, that we are making concessions, that it's all one-sided, that we are being out-traded. The defense of those charges is that they are incorrect. We are not being out-traded. We have to recognize that any agreement will involve matching restrictions on both sides. There has been movement. There is no question about that. The movement has not been one-sided.

I'd like to take you back to the early days of the Carter Administration and our first efforts with regard to initiatives in the field of strategic arms control. You will remember that Secretary

which led a delegation to Moscow last March, and we brought with us alternative proposals.

One of them was a so-called comprehensive package that would have meant a very dramatic step forward in effective strategic nuclear arms control. It had a number of provisions which would have meant that the qualitative gap would have been slowed down, instead of merely putting new limits numerically on the numbers of strategic nuclear weapons that each side could have. The agreement would have involved significant reductions in the overall total of so-called strategic nuclear delivery vehicles. It would have meant a reduction in the number of those vehicles which have MIRVs, which is an acronym for multiple independently-targetable reentry vehicles—the capability of a single missile to launch a number of warheads and launch them accurately at a number of targets. It would have meant also a reduction in the introduction of new types of nuclear missiles.

The Soviet Union leadership, as far as we could tell, felt that this went too far and too fast. They appeared to feel that it went beyond what had been agreed upon in Vladivostok between President Ford and General Secretary Brezhnev in 1974. Recognizing that there was a possibility, we had an alternative proposal to present in Moscow in March. And that was the so-called deferral package. What it would have meant is the acceptance in a treaty of Vladivostok ceilings, which were 1,000 in total numbers of strategic nuclear delivery vehicles, of which 1,320 could be launchers of MIRVed missiles. Other issues would have been deferred for a subsequent SALT negotiation. Now the Soviet Union also expected that as not going far enough.

So where are we today and how have we gotten there?

Gradually in the months since March, we have begun to evolve a SALT II treaty which I would say is in between the two proposals that we presented in March. It does not in one step go as far as our March comprehensive package. It is, however, from the standpoint of arms control, from the standpoint of protecting the invulnerability of our deterrent, from the standpoint of our national security, a significant step forward and much better than our deferral package of March. So rather than there having been a steady retreat since Moscow, I would say there has been a steady advance. And we now can see in the making a SALT II agreement which will move us forward toward effective arms control.

What it will mean is a significant reduction in both the overall aggregate of nuclear delivery vehicles and in the number of those vehicles that have multiple independently-targetable reentry vehicles. From that standpoint, it diminishes the threat to our own land-based intercontinental ballistic missiles (ICBM). It diminishes the counterforce potential. It will mean a reduction in the number of the intercontinental ballistic missiles that the Soviet Union has with multiple warheads. And we hope it will mean at least the beginning of stopping the qualitative improvements of nuclear weapons which are potentially destabilizing. I think that there is no question that the agreement is a substantial improvement over the deferral package of last March. I believe also that it points the way toward an even more effective arms control agreement.

Essentially, what we are working out is a three-piece framework. The first piece would be a basic treaty lasting through 1985, which would set these numerical limits, which would constrain some of the weapons programs that threaten to be destabilizing. There would be a 3-year protocol which would handle, on a temporary basis, some of the weapons systems which are being considered and as to which our thinking has not progressed to the point at which we know where our best interests would lie in a long-range solution. The protocol would leave us in a position to continue with all of the developments that we feel are essential to protect our security in the event that arms control turns out to be a failure.

One of the problems that exists at the present time is that we are endeavoring to defend against criticism a treaty which remains to be completely negotiated. And we are trying to defend it against an ideal that doesn't exist. The issue at the present point appears to be whether this treaty is as good as some other hypothetical, theoretical treaty, and the answer is, of course, that it is not. I can dream up a treaty which would be better. But I don't think I can negotiate that dream treaty and I don't think anybody else can, at this point. The real issue has to be whether the treaty, as it is finally developed, advances or diminishes the security of the United States. And I can say to you without the least doubt that the treaty which is being negotiated will represent a very significant improvement in the security of the United States.

Now, essentially, that's where we are at the present point. My account leads, of course, to brief discussion of the second basic complaint that I men-

tioned at the beginning of my remarks, which is: Why does arms control take us so long?

Differences in Military Situations

I think the answer is really pretty clear. It takes so long because it's very complicated, because it deals with the essence of the security of the countries involved in arms control negotiations. We're also dealing with a situation in which there is a considerable asymmetry between the situations of the two major military powers. There are differences in the way in which their forces have developed and the stresses that they have placed on particular weapons systems as against others, differences certainly as far as their relations with other countries are concerned, and obvious geographic differences. These are asymmetries which require consideration and resolution in the course of arms control negotiations. I will discuss a couple of these asymmetries briefly.

We have placed our primary emphasis on the maintenance of the so-called strategic nuclear triad. We have our strategic nuclear forces divided in three parts. We have the intercontinental ballistic missiles. We have the submarine launched ballistic missiles. We have our strategic bombers. It's a relatively even division among those three components.

The Soviet Union, on the other hand, has placed its primary emphasis on the land-based intercontinental ballistic missiles. So, therefore, constraints that affect primarily the ICBM's bear more heavily on the Soviet Union than they do on us.

Other asymmetries that exist are, fortunately, very much in our favor. We have only one military threat of significance and that's the Soviet Union. The Soviet Union, on the other hand, has to face a long and troubled Eastern border with the People's Republic of China. They have on the West the Eastern Europeans, who frequently become sullen if not rebellious. We, fortunately, don't have that sort of a troubled border situation. On the other hand, the Soviet Union is closer than we are to Western Europe and, therefore, the rapid deployment of forces is more readily available to them than it is to us.

With respect to the future, it is certainly my hope that we will be able, within a relatively short period of time, to bring to a completion a SALT II treaty. It will be, I think, along the general lines that I have discussed. It will, as I have said, mean a significant

forward step. I hope, also, that with the new position of the Soviet Union with regard to peaceful nuclear explosions that we will be able to achieve a comprehensive test ban. The two very much complement one another. If, for example, we succeed in a SALT agreement in getting a ban on new types of nuclear weapons, then the existence of a comprehensive test ban will give us a further degree of assurance that there is compliance with that provision, because it would make the development of new types of warheads considerably more difficult.

As far as the other arms control measures are concerned—the other negotiations on chemical weapons, radiological weapons, conventional arms transfers, eliminating the threat of antisatellite systems—they, I think, will profit from the success of these two major negotiations. The time required is certainly something that I

can't predict. They should not be very prolonged negotiations now that we have succeeded in bridging the major gaps. We can only hope that the Soviet Union will continue to feel as we feel that the completion of these agreements is basic to the security of both countries, is essential to world peace, and will create the kind of climate in which, hopefully, we can resolve many of the other differences that exist between us and that add to the troubles of the world. □

¹ Address before the Woman's National Democratic Club in Washington, D.C., on Nov. 10, 1977; Ambassador Warnke is Director of the Arms Control and Disarmament Agency (ACDA) and chairman of the U.S. delegation to the Strategic Arms Limitation Talks.

² Ambassador Smith is U.S. Special Representative for Nonproliferation Matters and U.S. Representative to the International Atomic Energy Agency; Mr. Farley is Deputy U.S. Special Representative for Nonproliferation Matters.

ECONOMICS: *The United States and the Third World*

by Anthony Lake¹

I will speak for a while first on the approach of a new Administration to the crucial economic issues we are addressing with the developing nations. The phrase "new Administration" may no longer be accurate after 10 months. But I think we do have an approach to these issues that is new in some of its directions and priorities. Before getting to the specific issues themselves, let me say a few words about context.

For many years during the period after World War II, American relations with Latin America, Africa, and Asia were looked at primarily through the prism of the cold war. And especially with regard to Africa and Asia, our concerns for close relations with our traditional allies cut across our inclination to support the movement toward independence by Europe's colonies.

In recent years, we have come to look at the problems of the Third World more in their own right, in terms of realities of the Third World itself. We *can* do so because we have come to appreciate better the limits to the influence of both the Soviet Union and the United States in the Third World. We *must* do so because of the growing importance of the Third World to us, politically as well as economically, and because only bad policy ensues when we allow either our global fears or our

global hopes to skew our vision of the facts.

This is not to say we should be indifferent to the influence of the Soviet Union in the Third World or elsewhere. We and the Soviets have different views of history and of the future; our relationship continues to have competitive, as well as cooperative, elements.

But in terms of our own self-interest, we must begin to deal with the developing nations on a basis which takes full account of their growing importance to us. And we should understand that the determination of Third World nations to decide their own policies, their wish to determine their own fates, is a basic protection for the world of diversity we want to see preserved.

So it is no longer possible to say that East-West relations or ties among the industrial democracies are more important to us than North-South policies. For different reasons, they are all vital to U.S. interests and to the kind of world we want for our children. Advancement of our objectives in one area cannot be divorced from progress in another. Worldwide energy security, for example, affects the economic welfare of the industrial democracies, the developing world, and the eastern Communist states. Economic cooperation among the United States, Europe, and Japan affects growth in the Third World; by the same token, their eco-

nomics health is important to our own. Another way of looking at the importance of the U.S.-Third World relationship is to enumerate some of those problems which cannot be solved without their cooperation.

- Controlling the proliferation of nuclear weapons requires the assistance of India, Iran, Brazil, and Argentina among others.

- Restraining the dangerous growth of conventional arms races must be addressed on every continent.

- Human rights, including the economic dimension of those rights, are of concern to us wherever they are in jeopardy.

- Managing an economically interdependent world to assure global growth and promote economic equilibrium requires close cooperation between the governments of the industrial democracies and those of the developing nations.

Managing the Relationship

For many of these first months in office, the Administration has been reviewing—and arguing about—how this complex, interconnected relationship with the developing nations can be managed. Let me summarize some general conclusions we have come to with in six points.

First, we must adopt a positive and constructive attitude in addressing international problems encompassing the developing countries. We will seek common ground with these countries for progress will only be possible when solutions are mutually beneficial to all parties.

Second, we will recognize in our actions that interdependence is more than a slogan. It requires us, as we fashion our domestic economic policies, to take into account their impact on the rest of the world, including the Third World. Traditionally, the economies of the developing countries have relied upon the economic dynamism of the major industrial economies. We must continue to be reliable on that score. But it is increasingly true that we have a major stake in the health and vitality of the Third World, as well. No less than 35% of our exports went to developing countries, while almost half of our imports came from them.

Third, the structure of the international system is changing, gradually evolving from a "North" and "South" into a global community in which all countries have responsibilities as well as rights. Much of the North-South rhetoric has, unfortunately, implied that only the industrial nations have obligations. This cannot

true. If fully accepted, it fosters both paternalism and resentment. Even the phrase "North-South," and the dichotomy it sets up, obscures the gradations that exist among nations. This analysis does not mean we can—or should try to—split the Group of 77.² Just as the economies of developing countries advance from one level to another, it is important that they show increasing concern for the global welfare. They will have a growing stake in the common good.

Key oil-producing nations, for example, now ponder the damaging effect of rising oil prices on the health of the global economic system and, therefore, on their own long-term economic development. Even small oil price rises can easily wipe out the gains which the Third World could reap from aid, investment, and loans from the industrial nations. Treasury Secretary Blumenthal calculated the other day that each percentage point of increase in oil prices adds \$400 million to the U.S. energy cost; it has an even more devastating impact on other countries.

Each nation must also face its responsibilities to its own citizens, who are most in need—and our own country is no exception. However well-functioning the international economic system, development is fundamentally a challenge for each government and society to address in its own terms.

Fourth, while our policies must be global in their concept, their implementation must be specific to each situation. Policies must be tailored to take into account the great diversities that exist among the developing countries.

For the economically stronger countries, the most appropriate areas of cooperation are trade and access to private capital and technology. Most of Latin America is now in this position. While aid still plays an important role in the region, its prosperity depends primarily upon the continuing evolution of an open international financial and trading system in which developing countries can participate ever more fully.

For the poorer nations, including most African countries, official development assistance—foreign aid—remains the vital source of external capital. Africa will benefit from the inauguration of the World Bank—and of our own Agency for International Development—to focus concessional assistance on the nations most in need.

Fifth, we accept the diverse models of economic and political development at the less developed countries (LDC's) have chosen to benefit their peoples. But we also believe that certain human rights have universal appli-

cation. Human rights include not just the basic rights of due process, together with political freedoms, but also the right of each human being to a just share of the fruits of one's country's production.

Sixth, we recognize that the economic and social issues we all face—such as protecting the environment and the oceans—are global problems from which Communist countries are not immune and to which they can and should make a positive contribution. Consequently, it will be our policy to encourage a constructive role by the centrally planned economies—to increase their development assistance generally and to join us and developing countries in a global development effort.

Basic North-South Issues

These six principles only have meaning, of course, in terms of the specific issues we face: liberalizing trade, insuring adequate balance-of-payments financing, improving our foreign assistance performance and reorienting its focus in the direction of poor people, stabilizing commodity price fluctuations, and facilitating the flow of investment and technology on terms fair to companies and governments. Underlying many of these issues, however, are at least three basic tensions.

1. We frequently face difficult choices between our short-term and our longer term interests.

2. We sometimes confront a tension between what we consider to be sound economic policy and, at the same time, our desire to maintain a positive momentum in our political relationships with the developing nations.

3. On almost every issue, we must find ways to enhance the participation of LDC's in international decisionmaking in a way that is acceptable to them and to us.

Let me say a word about each.

First, trade-offs between short-term and longer term interests.

We are, as you know, in a period of economic difficulties, both in the United States and abroad. Governments everywhere are under pressure to respond to the immediate plight of their citizens, particularly the need to protect jobs. This results in at least two policy dilemmas for the United States.

•It is axiomatic that a liberal trade regime is in the interest of both the developed and the developing nations. Freer trade can promote the long-term development of the resources the world needs, provide lower prices and greater

choice for consumers, and increase opportunities for producers in all countries. Trade can be an engine for economic development and a means for developing nations to participate in the international economic system. All this is accepted in principle, as the stated goal of all countries participating in the current multilateral trade negotiations in Geneva. But the harsh political reality is that these longer term benefits are threatened by short-term protectionism.

The United States has been in the forefront in encouraging the negotiations to move forward. We must continue to do so, while seeking to cushion the impact of immediate dislocations. In the months ahead the United States will be vigorously pushing for trade liberalizing measures in the current trade negotiations in Geneva. We will be giving special attention to products of interest to LDC's. And we will do our best to work with other countries to devise trading rules which promote trade between the developed and developing world.

•Another example of the need—and the difficulty—in protecting the future against shorter term pressures is the issue of foreign assistance. Our foreign aid program has undergone many changes over the past decade, from the large, capital-intensive programs of the 1960's to the small programs we now increasingly support—much of which is focused on rural development.

This Administration intends to give more priority to development assistance than it received throughout the 1970's. We see these development programs as an integral part of our overall strategy of promoting flows of development finance, as the most efficient and direct method of transferring resources to countries which do not have full access to private capital markets, and as the most direct way to attack poverty.

We believe that larger and more effective foreign assistance programs—bilateral and multilateral—are in the U.S. national interest and in the interest of global development. So year by year, it is increasingly important to convince the Congress and the public that devoting resources to the fight against poverty abroad is tied to the ultimate health of our economy here at home.

The Administration consequently faces the challenge of demonstrating to American citizens that foreign assistance works—that it can, together with other policies, make a difference in the global food, energy, or population balance and that it can, by mobilizing the assistance of other donors and encouraging sound domestic policies on

the part of recipients, stimulate growth and equity.

Let me say another word about our approach to foreign assistance. Our focus on meeting basic human needs, which is an integral part of our overall human rights policy, is not as simple as it may appear. We face at least two basic challenges here.

•In some cases, we face a dilemma when we consider foreign assistance for countries where political and economic human rights are denied. Our assistance is targeted on improving the economic conditions of poor people. Since aid is generally government-to-government, the regime concerned inevitably derives some political boost from our assistance. But we do not want to deprive poor people because of the nature of their government. In such cases, our decisions must be made on a pragmatic, case-by-case basis and very human terms.

•In addition, meeting basic human needs is not, in our view, a welfare program but a way for a country and a society to develop. Accordingly, we will encourage host governments to make an increasing commitment of their own to the needs of their poor, at the same time as we increase our aid to them. Many developing countries faced with balance-of-payments problems, high energy prices, and the need for massive domestic investment, may resist placing a priority emphasis on the well-being of their poor. Because the poor are often excluded from the political process, their concerns are given less weight by governing elites. If we place conditions on our aid, these elites could charge us with attempting to intervene in their internal affairs. Our challenge is to be sensitive to their concerns, while promoting our views and our commitment to the poor.

A second dilemma which underlies our North-South efforts is the need both to maintain a cooperative multilateral political environment for discussing economic issues while expressing our differences over what are the soundest and most effective economic policies that can serve our common long-term interests.

I can think of two cases where this issue has arisen. In the area of commodity policy, the developing nations have proposed the negotiation of an integrated commodity program for 18 different raw materials. The idea is to relate international efforts to address the problem of each commodity market through a common financing mechanism—a common fund. This proposal has assumed a strong political

significance in the North-South dialogue.

The United States and other industrial nations agree with Third World leaders that commodity issues are of central importance to the world economy and to the economic development of many countries. But we are convinced that effective measures can be devised only if each market is addressed as an individual case and that these individual arrangements form the best basis for a common commodity policy and funding arrangement. Negotiations on this question begin November 7. We will enter them in the hope that we can advance a positive and realistic position. We face the challenge of supporting what we consider sound economic policies, while working to maintain a constructive negotiating atmosphere.

Another such area is debt. Developing countries have been seeking generalized forgiveness of past official debt, which many of them see as a structural impediment to future development.

We seek to respond to such financial needs by arranging additional resource transfers, through bilateral and multilateral foreign assistance. But our analysis shows that every debtor is in a different situation. Some have little problem managing their debts. Others face only a temporary difficulty in servicing their loans. Still others may face long-term structural problems characterized by an inadequate net flow of financial resources.

In cases of extreme and urgent need, obviously we stand prepared to discuss debt rescheduling. But in the divergent circumstances we face, we believe any generalized debt forgiveness would be inadvisable. First, the benefits to debtors would bear little relationship to their development needs, since some nations with the largest debts are growing fast and can more easily service them. Second, by treating all countries alike, we would, in effect, be discriminating against those countries which have struggled to pursue policies to reduce their indebtedness over time. And third, a general debt moratorium would be seized upon by those who have traditionally cried "giveaway" at any effort to transfer resources to the Third World.

A third basic issue underlying North-South economic relations is the need to expand LDC participation in the management of the world economy.

One of the major drives behind the new international economic order is Third World desire for greater political participation in the global economy.

The developing nations want not only a larger slice of the global pie, they want to be at the table when the pie is sliced and have a voice in its apportionment.

We are convinced that it is essential to widen the circle of international decisionmaking. We believe that the economic system must be fair, and equally important, it must be seen as fair. By going from principle to practice presents us with difficult issues.

•First, there is the question of how broadbased global economic management can be. While we live in a world of sovereign nations, it is also a world of states which are unequal in their ability to influence the system, for good or bad. Thus it is exceedingly difficult for the international community including developing countries themselves, to select which developing countries should play the largest role.

•There is also the practical question of which management arrangement and institutions should be expanded. Should the most advanced developing countries be invited to join the Organization for Economic Cooperation and Development? Would they want to? Should their voice and vote be enlarged in international financial institutions and if so, are they willing to undertake commensurate obligations? Should we make a special effort to incorporate LDC's into institutions which have yet to be created—such as for energy or the oceans? These are some of the issues we are addressing now.

To summarize, I think it is fair to say that despite the increasing complexity of North-South relations and the conceptual as well as practical problems we face, the Administration has made considerable progress in formulating a set of positive development policies.

•We are intent on making substantial increases in our foreign assistance while emphasizing the focus on meeting basic human needs.

•On commodities, we reversed the policy of previous years and have accepted the principle of a common fund to facilitate buffer stocks.

•We have agreed to an expansion of World Bank activities, also a reversal of previous policy.

•The Administration has agreed to the expansion of International Monetary Fund lending and is now seeking congressional agreement.

•In the trade negotiations, we are willing to reduce trade barriers on products of special interest to LDC's.

•We will vigorously negotiate for a system of internationally coordinated national food reserves.

•And for once, we are taking the United Nations very seriously on economic and social issues.

The general principles I have suggested tonight are only a shorthand for reality. This is especially true when he speaks in the abstractions of economics. Our statistics and our analyses concern the lives of billions of people in the coming generation—people here in America and people abroad. If we turn inward, toward protectionism and difference, the human cost would be tolerably high. That is the essential problem we will be addressing on almost every foreign policy issue we now face.

Contributions of scholars such as ourselves can be threefold.

•Your objective analyses of events in Latin America and Africa are valuable as scholarship. They are also valuable for policymakers trying to understand the facts with which we must deal.

•Equally valuable would be your thoughts on some of the policy dilemmas I have discussed. I am quite sincere in hoping each of you will consider writing me with your views and suggestions. Asking you to do so is one of the reasons I came here.

•And finally, whatever your views, let me urge you to press them on de-

cisionmakers in both the executive branch and the Congress and to contribute to the public debate on these issues.

Such involvement may seem, to many of you, inconsistent with the objectivity of a scholar. I have no quarrel with such an individual conclusion. But before reaching it, I hope you will consider one point.

We are emerging now from the most contentious period in the last 100 years of our nation's history. The war in Vietnam so engaged the passions of us all—as it should have done—that we began to think too easily about all policy issues in terms of simple categories: right or wrong, interventionism or noninterventionism, *real politik* or idealism.

As I have tried to suggest tonight, the time has passed when we can think in the simple terms of any doctrine, whether derived from Munich or Vietnam. The complexities of our challenges, the necessary breadth of our priorities, and the depth of our dilemmas elude such simple formulas.

If we are to have a decent public debate on our policies—which we want—and if we are to show how progressive policies abroad are in our long-term national interest—as we must—then there can be no substitute for the participation in those debates of

scholars such as yourselves. For one essence of scholarship is to help us comprehend more clearly the complexities we must address, without retreat to a world of comforting simplicity. □

¹ Address before the annual meeting of the African Studies Association and Latin American Studies Association in Houston on Nov. 5, 1977 (introductory paragraph omitted); Mr. Lake is Director of the Policy Planning Staff.

² The Group of 77 is a caucus of developing countries formed in 1964 at the first U.N. Conference on Trade and Development to present a unified bargaining position in their negotiations with industrialized countries. It is now composed of 115 developing countries.

U.S. Balance of Trade and Payments

*Statement by President Carter*¹

The U.S. balance of trade and payments has shifted this year to a large deficit position. The two main causes appear to be large oil imports by the United States and relatively slow economic growth in Japan, Germany, and other nations.

These deficits have contributed to some disorder in the exchange markets and rapid movements in exchange rates. Heightened uncertainty and increased exchange market pressure in recent weeks have coincided with the delay in congressional action on our energy legislation. A mistaken belief that the United States is not prepared to adopt an effective energy program has been partly responsible for recent unsettled conditions in the exchange markets. We have a responsibility to protect the integrity of the dollar. Prompt action is needed in energy and other fields to reduce our deficits.

Last April, I submitted to the Congress a comprehensive conservation and conversion program to reduce our dependence on foreign oil. I am confident that the Congress will not allow this situation to continue to deteriorate through inaction. I am equally confident that the American people will fully support this critically important program. When enacted, the measures now under consideration will have increasingly beneficial effect in coming years and exert their main impact by 1985.

The United States is currently im-

Corrupt Practices, Investment Disclosure

*Statement by President Carter*¹

I am pleased to sign into law S. 305, the Foreign Corrupt Practices Act of 1977 and the Domestic and Foreign Investment Improved Disclosure Act of 1977.

During my campaign for the Presidency, I repeatedly stressed the need for tough legislation to prohibit corporate bribery. S. 305 provides that necessary sanction.

I share Congress' belief that bribery is ethically repugnant and competitively unnecessary. Corrupt practices between corporations and public officials overseas undermine the integrity and stability of governments and harm our relations with other countries. Recent revelations of widespread overseas bribery have eroded public confidence in our basic institutions.

This law makes corrupt payments to foreign officials illegal under U.S. law.

It requires publicly held corporations to keep accurate books and records and establish accounting controls to prevent the use of "off-the-books" devices, which have been used to disguise corporate bribes in the past. The law also requires more extensive disclosure of ownership of stocks registered with the Securities and Exchange Commission.

These efforts, however, can only be fully successful in combating bribery and extortion if other countries and business itself take comparable action. Therefore, I hope progress will continue in the United Nations toward the negotiation of a treaty on illicit payments. I am also encouraged by the International Chamber of Commerce's new Code of Ethical Business Practices. □

¹ Made on signing S.305 into law on Dec. 20, 1977 (text from Weekly Compilation of Presidential Documents of Dec. 26). As enacted S.305 is Public Law 95-213, approved Dec. 19.

porting petroleum at a cost of about \$45 billion a year. In 1978, taking account of planned production of Alaskan oil, our oil imports will be stable, despite substantial purchases for our strategic petroleum reserve. Nevertheless, it is essential that we take further steps to curtail these imports in order to reduce both our excessive dependence on imported oil and the burden on our balance of payments. The energy measures I am now proposing are designed to serve these ends.

I have instructed the Department of Energy to pursue efforts to:

- Expand production of oil at the Elk Hills Naval Petroleum Reserve;
- Encourage an expansion of production at Prudhoe Bay above the 1.2 million barrels a day planned for early 1978;
- Maintain production of California crude at a high level; and
- Work with appropriate governmental and private interests in expediting provision of adequate pipeline capacity for transport of Alaskan and Californian oil east of the Rocky Mountains.

Combined with conservation measures, these efforts offer good promise.

The new measures will take effect in the period immediately ahead and serve as a bridge until the implementation of the more comprehensive legislative program begins to exert fundamental changes in our energy balance in the years ahead.

I have also instituted measures to expand U.S. exports.

• We have doubled Commodity Credit Corporation credits to support agricultural exports.

• In 1978, we will increase sharply lending activity by the Export-Import Bank, to support exports generally.

We will not engage in unfair competition for export markets; we will fully respect our understandings with other governments regarding export credit terms. But within these understandings, there is room for a more active effort to expand our exports. Through such an effort, I believe we can achieve substantial increases in exports in 1978, as well as in subsequent years.

With these measures, the prospects for an improvement in our trade position will be good. Some of these measures will begin to take effect in 1978. When fully implemented, these measures, energy and nonenergy, should produce an annual improvement in our trade position of several billion dollars and will improve the U.S. balance of payments.

There has been a great deal of public discussion in recent weeks about the large U.S. trade and payments deficits and the movement of rates in the exchange markets, mainly between the dollar and the German mark and Japanese yen. The American economy and the dollar are fundamentally sound; U.S. products on the whole are competitive. While some exchange rate adjustment has been understandable in light of economic developments in Germany, Japan, and the United

States, recent exchange market disorders are not justified.

The new energy measures strike directly at a key part of the balance-of-trade problem. The export measures will enable us to respond effectively to expanding export opportunities. Together, the energy and export measures represent action to strengthen our balance of payments and deal with our trade deficit in a substantive way by improving the underlying conditions upon which the value of the dollar fundamentally depends.

Furthermore, next month I shall be presenting to the Congress a comprehensive economic program designed to insure a healthy and growing economy, to increase business capital investment, to expand industrial capacity and productivity, and to maintain prudent budgetary policies while counteracting inflationary pressures. These and related measures will promote economic progress and underscore our commitment to a strong and sound U.S. economy.

In the discharge of our responsibilities, we will, in close consultation with our friends abroad, intervene to the extent necessary to counter disorderly conditions in the exchange markets. The measures I have enumerated will deal with the root causes of these market disturbances in a more direct and fundamental way. □

¹ Made on Dec. 21, 1977 (text from Weekly Compilation of Presidential Documents of Dec. 26).

EUROPE: Secretary Vance

Attends NATO Ministerial Meeting in Brussels

Secretary Vance headed the U.S. delegation to the regular ministerial meeting of the North Atlantic Council in Brussels on December 8-9.¹

NEWS CONFERENCE, DEC. 9²

The ministerial meeting which we have just finished has left me with renewed confidence in the alliance as the keystone of our relations with Europe and of U.S. foreign policy. This meeting, although it produced no dramatic events, in my judgment was productive and very useful. We had a detailed review of the state of East-West relations and ongoing negotiations with the Soviet Union in the

Strategic Arms Limitation Talks and in the mutual and balanced force reductions talks which are going on in Vienna. In addition, we have reviewed the not yet completed discussions which are taking place in Belgrade.

We also reviewed the progress which has been made to date in fulfilling the work program which we had set out for ourselves at the summit meeting which was held last May, and I think all of us concluded that the progress which is being made on the various studies which are under way is encouraging. While the issues which we face are complex, and not susceptible to easy solution, our discussions were marked by harmony among the 15 sovereign nations.

It is clear that the determination of the allies to do what is necessary to maintain NATO's effectiveness is shared by all. And I will leave Brussels with the conviction that the alliance has the will, the determination and resourcefulness to meet any challenge to its purpose, its strength, or its cohesion.

Q. [Inaudible] Israeli hard-line what will be the position of your country if an armed conflict follows? A declaration from you now may help.

A. I don't want to talk about such a hypothetical question. I don't want to talk about failure. We have before us the Cairo conference which is coming up on the 14th of December. We are going to do all that we can to help

progress in this conference. One of the purposes of my trip to the Middle East is to do all that I can in helping to assure that this is a step forward in the peace process, which I believe to be, and to see that the channels of communication are kept open with all of the parties to the Middle East conflict.

Q. Do you feel that the Western allies have done all that they can to ensure that there's progress at the Cairo conference?

A. This is a matter which has been discussed with the Western allies, and all of them will be making their individual decisions with respect to what they believe they can do and should do with respect to the Cairo conference.

Q. Did you get any feeling whether the alliance would like the United States to go ahead with development and deployment of the neutron bomb?

A. In our ministerial meetings the neutron bomb, the so-called neutron bomb, was only mentioned very briefly. [Secretary of Defense] Harold Brown covered this at great length in his press conference, and I endorse what Harold had to say in the discussion that he had with all of you just 2 days ago. I would merely say that no decision has yet been reached by the President of the United States with respect to either production or deployment.

The President has made it clear that he wishes to have the views of all of our allies with respect to both the question of production and deployment; we have not yet received the views of all of our allies; and we are awaiting their thoughts and suggestions with respect to this matter.

Q. In Washington at your last press conference you said Soviet statements on the Middle East had raised questions, but before you could make a judgment you wanted to get a report from Mr. Habib [Under Secretary for Political Affairs Philip C. Habib]. You've gotten this report. What's your judgment?

A. My judgment is that the Soviet Union wishes to see a comprehensive settlement reached in the Middle East, and their objective remains a Geneva conference. Those objectives are shared, I believe, by all the parties. It is what the leaders of all of the countries involved have stated.

The Soviet Union and ourselves do agree with respect to the question of the Cairo conference. Our position is well known with respect to that. I believe this is an important step

forward, and we are going to do all we can to help make progress through the Cairo conference.

Q. What is your reaction to the public Soviet statement that our actions—American actions—now are in direct contradiction to the U.S.-Soviet joint declaration which was issued?³

A. I'll refer you back to what I just said a couple of days ago in a press conference which I held just before I left the United States. I stated at that time that our objective was a comprehensive settlement ultimately to be consummated at a Geneva conference. That remains our ultimate objective. The Soviets state that that is their objective as well. I see nothing in conflict between what we said in the joint U.S.-Soviet statement, which was basically that. We did refer to the desirability of convening a Geneva conference by the end of the year in the joint statement.

New circumstances have occurred since that time. I think that we ought to take advantage of those new circumstances and proceed with the Cairo conference. That does not rule out an ultimate Geneva conference, and, therefore, I do not see the inconsistency which seems to have been suggested in the Tass article to which you're referring.

Q. Dr. Luns, the Secretary General of NATO, has told the Greek press that he expects a new American initiative to help with the Greek-Turkish differences. Could you comment on that?

A. No, all I would say on the Greek-Turkish problem is that the Foreign Ministers of Greece and Turkey, as I understand it, will be meeting this afternoon under the auspices of the Secretary General. He will not be present but the two will be having a bilateral discussion. I think all of us welcome such a discussion. No one knows what will come out of that discussion. We hope that progress may result from it, but we'll have to wait and see what transpires at that meeting.

Insofar as the United States is concerned, we have always said that the matter of Cyprus, which is one of the issues between them, is a matter which is being handled under the auspices of the Secretary General of the United Nations. We have, from the very first, said that we welcome that and that we would do whatever we could to support that effort, and that remains our position. If at any time Greece and Turkey ask our help with respect to their problems and the resolution of their problems, as with any

other allies, we would of course be happy to do what we could to help.

Q. Would you give—taking into account the Arab world reactions, would you give any blessing to the idea of a separate peace between Israel and Egypt?

A. Both the President of Egypt and the Prime Minister of Israel have said that they are seeking a comprehensive settlement, not a bilateral settlement, and I believe and accept what they have stated.

Q. We have heard a good deal about the allies wanting more participation in the SALT discussions [Strategic Arms Limitation Talks] in view of SALT III, and the fact that the guidelines for SALT III are to be part of SALT II. I wonder if you would comment on that desire, and what you think the U.S. Government can do about it?

A. Yes, this is a subject which I addressed at some length during my remarks to the ministerial meeting yesterday. I gave assurance to our colleagues with respect to two or three matters on which concerns had been expressed. I believe all of them accept the reassurances which I have given to them. We believe very strongly that there should be full and complete consultation in SALT II and, when we get to SALT III, in SALT III with our NATO allies.

This is of great importance, and we have been consulting with our NATO allies as we have moved along in SALT II. I think if you will talk to the ministers of the various countries they will tell you that they believe that these consultations have been full and have been helpful to them.

I think it is important, as we move on into SALT III in the future, that we even intensify these consultations because we, ever increasingly, move into more and more complex matters. And, therefore, it is important to have even greater consultation than was the case in earlier times when there were not so many complex issues to be dealt with.

Q. Would the United States discourage the separate agreement in principle between Egypt and Israel, as distinct from a separate peace agreement?

A. At this stage the parties say they want to reach a comprehensive agreement. I take what they say at face value; and we are going to do everything to support what they say they believe is in their interest and in the interest of regional peace.

Q. I understand that, but on the way toward that comprehensive agreement, evidently there's con-

sideration of an agreement in principle; not a separate peace treaty but a separate agreement in principle.

A. But an agreement in principle covering a comprehensive settlement.

Q. I take it from what you said about the Russians that we do not now expect them to cooperate with the United States in Middle East diplomacy until you start redirecting your efforts toward reconvening a Geneva conference.

A. No, I did not say that. What I said was that I did not believe that they would support, in any way, the Cairo conference and that we have differing views with respect to that matter.

Q. We've been told by several countries that there's now a prospect of some movement forward in the mutual and balanced force reductions in Vienna. Is that the American impression also? And if so how would that progress, what form would it take?

A. We discussed at some length the mutual and balanced force reduction discussions and various possible steps which need to be taken if progress is going to be made in those talks. I think it was the unanimous opinion of all of the ministers that it would be in the interest of both sides if progress could be made. The first issue which has to be cleared away is the issue of data exchange, which is fundamental to all other steps, and this is the area in which I would hope and expect that we might see the first real steps of progress.

Q. The hopes were expressed that the Cairo conference might be open-ended. In such a case, would you expect Jordan to join at a later stage, and at what stage?

A. I have no idea what the parties who have declined to attend the Cairo conference will or will not do. That is a sovereign decision that each one of them will have to make in the future, and we're all going to have to watch and see what happens as the Cairo conference moves forward.

Q. You referred twice in an earlier statement to the ultimate need for a Geneva conference. Is it the American view that there should be as much direct negotiation as possible following the Cairo conference, not only between Israel and Egypt but between Israel and each of the other parties?

A. We have said for years that we believe that the only way you are going to get a settlement is through direct discussion among the parties, and we have encouraged direct discussions

among the parties. Any steps which lead to that are positive steps in our judgment, and, as in the past, we will continue to encourage direct discussions among all the parties.

FINAL COMMUNIQUE¹

The North Atlantic Council met in Ministerial session in Brussels on the 8th and 9th of December, 1977.

Ministers examined developments since the Council's meeting in London last May. They reaffirmed their resolve to fulfill the common purposes and enhance the effectiveness of the Alliance and agreed that the work in this direction was proceeding satisfactorily.

Ministers emphasized that the strength, vitality and cohesion of the Alliance are drawn not only from its defense preparedness but also from the shared commitment of its peoples to the principles of democracy, respect for human rights, the rule of law and social progress and from their common desire to safeguard their freedom and independence. Ministers reaffirmed their commitment to the pursuit of détente and to the achievement of a better understanding with the countries of Eastern Europe. In these efforts they are guided by their dedication to peace and their concern for the worth of the individual. Ministers stressed that, to be significant, efforts to remove barriers within Europe should benefit the lives of individual citizens as well as relations between states. Ministers noted that although recent progress in East-West relations had been uneven, there had been some favorable trends. They resolved to develop these and to seek a broader pattern of cooperation with the countries of the Warsaw Pact across a wide range of international issues. For these efforts to succeed, reciprocity and restraint are required on the part of all governments concerned. A policy of détente cannot be pursued selectively.

Ministers considered the meeting now being held in Belgrade as a follow-up to the Helsinki Conference on Security and Cooperation in Europe. They noted that a thorough presentation of views was taking place on the degree of

progress made in implementing the Final Act but regretted that a number of specific criticisms of inadequacies in implementation had not yet received satisfactory answers. The change of views in Belgrade so far has confirmed that while some progress has been achieved in certain fields, much remains to be done in improving relations between states as in ensuring the rights and well-being of individuals. Ministers, recalling the importance of the commitment of all signatory governments to respect fundamental freedoms and human rights, including that of the individual to know and act upon his rights and duties in this field, affirmed their determination to pursue dialogue on these matters. In addition to measures to improve implementation in other fields Ministers considered that the scope of confidence-building measures should be broadened in accordance with the provisions of the Final Act. Recognizing the long-term nature of the CSCE process, the allies will continue their efforts both during the Belgrade meeting and afterwards to ensure that a stronger impulse is given to full implementation of all provisions of the Final Act by all participating states.

Ministers expressed satisfaction at the substantial amount of work already done by the Council in permanent session on the fresh start of long-term trends in East-West relations and their implications for the Alliance requested allied leaders at their meeting in London May.

Ministers noted with concern that the steady growth in the military strength of the Warsaw Pact inevitably casts a shadow over the East-West relationship. Emphasizing the defensive character of the Alliance, Ministers recognized that the foundation of its security was its maintenance by the Alliance of forces sufficient in quantity and quality to deter aggression, withstand pressure or, if necessary, defend the territorial integrity of the member states. They asserted their determination to take the necessary steps to achieve this objective. In this context, Ministers reaffirmed their view that the early coming into operation of the defense operation agreements between allied countries will strengthen the defenses of the entire Alliance in particular in the Mediterranean.

The Ministers of countries participating in the integrated defense structure of the Alliance welcomed the progress being made by those allies concerned in developing the long-term program in selected areas to enable NATO forces to meet the changing defense needs of the 1980s and the successes achieved in the program of short-term measures designed to improve the capabilities of NATO forces by the end of 1978.

Ministers took note with appreciation of reports on efforts to make more effective use of available resources for defense through increased standardization and interoperability. They welcomed initiatives to encourage trans-Atlantic dialogue on equipment matters to remove obstacles to the establishment of cooperative projects and to create a more advanced relationship among European and North

Letters of Credence

On November 22, 1977, the following newly appointed Ambassadors presented their credentials to President Carter: ¹

Finland—Jaakko Olavi Iloniemi

France—Francois de Laboulaye



¹ For texts of the Ambassadors' remarks and the President's replies, see Department of State press releases dated Nov. 22, 1977.

January 1978

American members of the Alliance in connection with the procurement of defense equipment.

Ministers reaffirmed their determination to strive for genuine measures of disarmament and arms control. They noted the increased activity in this field in recent months and the prospects for progress on important matters. They affirmed their intention to play a constructive role in the forthcoming United Nations special session on disarmament. They expressed the hope that 1978 would see more rapid progress in achieving concrete measures in this area.

Ministers of the participating countries reviewed the state of negotiations in Vienna on mutual and balanced force reductions (MBFR). They expressed once more their conviction that these negotiations would achieve their agreed aim of contributing to a more stable relationship and to the strengthening of peace and security in Europe only if they were to result in eliminating the existing ground force manpower disparity in Central Europe and ensuring undiminished security for all allies. These Ministers reaffirmed their position that these objectives would be achieved by their proposal to establish, in the area of reductions, approximate parity in ground forces in the form of a common collective ceiling for ground force manpower on each side and to reduce the disparity in main battle tanks. They called for a positive response to the additional offer they made to the Warsaw Pact countries in December 1975. They indicated the importance they attach to the inclusion of associated measures in an MBFR agreement. These Ministers stressed the need for a genuine data discussion as a basis for further progress in these negotiations.

Ministers discussed the recent developments in the US-USSR Strategic Arms Limitation Talks and noted with satisfaction the progress made. They expressed support for the efforts for the United States to conclude a SALT agreement which maintains and enhances strategic stability and is responsive to the security interests and concerns of the Alliance.

Ministers reviewed the developments concerning Berlin and Germany as a whole since their last meeting in May 1977. They noted

with satisfaction the positive effects which the Quadripartite Agreement of September 3, 1971 continues to have in and around Berlin. The Ministers emphasized the importance of strict observation and full implementation of all the provisions of the Quadripartite Agreement, including those regarding the ties between the western sectors of Berlin and the Federal Republic of Germany and those regarding the representation abroad of the interests of the western sector of Berlin. Ministers underlined the essential connection between the situation relating to Berlin and détente, security and cooperation throughout Europe.

Ministers expressed the hope that recent developments in the Middle East, which they welcome, will lead to a just and lasting peace in the region endorsed by all directly interested parties. Ministers took note of the report on the situation in the Mediterranean prepared on their instructions. They once more emphasized the importance they attach to maintaining the balance of forces throughout the Mediterranean area. They requested the Council to continue its consultations on this subject and to report to them at their next meeting.

Ministers noted with appreciation the work of the Committee on the Challenges of Modern Society (CCMS) and the actions taken by nations to implement the CCMS recommendations and resolutions on air, inland water and marine pollution. Ministers noted that the Alliance members had resolved to deal effectively with hazardous wastes to minimize environmental damage.

The next Ministerial session on the North Atlantic Council will be held with the participation of heads of states and governments in Washington on 30th and 31st May, 1978. □

¹ Another press release relating to Secretary Vance's trip to Brussels is No. 550 of Dec. 8, 1977.

² Text from press release 551 of Dec. 10, 1977.

³ For text of the joint statement issued on Oct. 1, 1977, see BULLETIN of Nov. 7, p. 639.

⁴ Text from press release 552 of Dec. 10, 1977.

has come to return the crown to Hungary where it has served as a symbol of Hungarian nationhood for nearly 1,000 years. We believe the decision to return the crown of St. Stephen to the Hungarian people at the present time is both the right action to take and an action that is in our national interest.

The President made his decision in light of the history of the crown and its unique place in the Hungarian national existence. Tradition holds that Pope Sylvester II gave the crown of St. Stephen to Hungary's first Christian king in the year 1000. It came to symbolize the essence of the Hungarian people and as such played a central role in the course of Hungarian history. At the end of World War II, the custodial guard gave over the treasure without condition to elements of the U.S. Army. I am submitting to the subcommittee a narrative of this event based on the archives of the executive branch.

Throughout the postwar period, the U.S. Government at many times considered the possibility of the return of the crown. However, a series of historical events, as well as difficulties in U.S.-Hungarian relations, led to postponement of a positive decision until our most recent review which was undertaken from late spring through early fall.

The return of the crown to the people of Hungary is correct and needs no further justification. A historical treasure that played a major role in a nation's history for nearly 1,000 years should be in that country for its people, and for people everywhere, to view and cherish—rather than in a U.S. Government vault.

Aside from the essential rightness of the decision to return the crown, we believe this decision will advance U.S.-Hungarian relations. The return of the symbol of Hungary's nationhood will respond to the national aspirations of the Hungarian people and will encourage understanding and better relations between our peoples and our two governments. It will foster the spirit of the Helsinki Final Act² to which we as a people and, we believe, the Hungarian people are dedicated.

Relations between the United States and Hungary have improved significantly in recent years.

- Hungary has been exemplary within the Warsaw Pact in its implementation of the provisions of the Helsinki Final Act.

- Our two nations have signed a consular convention that affords protection to U.S. citizens in Hungary.

- We have settled the outstanding

Crown of St. Stephen

STATEMENT BY MR. NIMETZ¹

It is a great pleasure for me to testify this morning before this subcommittee about a most important milestone in our relationship with the people of Hungary. As you know, President Carter has decided that, in light of substantial improvement in U.S.-Hungarian relations, we will return to the Hungarian people the crown of St. Stephen which

has been in our custody since the close of World War II.

There has never been any doubt that the crown of St. Stephen belongs to the Hungarian people. This has been our stated policy since we received the crown in 1945. We have recognized always that our role was merely one of safekeeping this unique historic relic and we have fulfilled our responsibility with propriety and dignity. The time

nationalization claims of U.S. citizens and resolved all U.S. Government financial claims, including payment in full of the arrearages on a World War I era debt.

• We have signed our first inter-governmental agreement on exchanges and cooperation in culture, education, science, and technology.

The decision to return the crown in no way alters our view that Hungary, as a Communist state, lacks many of the essential elements of a democracy.

In considering the return of the crown, the Administration was conscious of the specific concerns of Hungarian-American organizations and individuals. President Carter, as a candidate, told the Coordinating Committee of Hungarian Organizations in North America in the fall of 1976 that he would take their points of view into consideration because, as he put it, "the involvement of ethnic and religious groups in our political system should be viewed as a national strength." During the past year, State Department officers have met or spoken with nearly 100 representatives of

Hungarian-American organizations. The views of these organizations, as well as those of concerned Members of Congress and other interested individuals, were fully taken into consideration in making this decision.

We will return the crown to the Hungarian nation and people in a manner most fitting to its significant national, cultural, and religious character. A personal representative of the President will return the crown in Budapest on behalf of the American people to a personal representative of the Hungarian President and a delegation of government officials; parliamentarians; leaders of a wide range of popular organizations; and prominent religious leaders of the Catholic, Protestant, and Jewish faiths. The Hungarian Government has assured us that the crown will be promptly and permanently displayed in Budapest in a manner appropriate to the crown's historic and national significance. Everyone—Hungarians, Americans of Hungarian and other ethnic backgrounds, and all others—will be welcome to view it.

To conclude, I would like to reiterate that President Carter in making this

decision has fully taken into account the particular history and status of the crown, the expressed concerns of Hungarian-Americans, the impact of the crown's return on the development of U.S.-Hungarian relations, and the expected benefits to the foreign policy interests of the United States. We believe that the American people will take pride in the fact that we accepted the responsibility of safeguarding the crown during the dark days of 1945 that we fulfilled our custodianship with dignity, and that we are now returning this single most treasured symbol of the Hungarian people to its proper and rightful home.

JOINT COMMUNIQUE³

The President of the United States of America has determined that it is appropriate and fitting that the Crown of St. Stephen and other Hungarian coronation regalia, which had been safeguarded in the United States since the close of World War II, be returned to the people of Hungary.

The return of the Crown will take place in Budapest on January 6 and in ceremonies in which delegations representing the American and Hungarian peoples will participate.

The Government of the Hungarian People's Republic will place the Crown and the coronation regalia on permanent public display in an appropriate historical location in Budapest for the population of the country, Hungarian living abroad and foreigners alike to see.

EXCHANGE OF LETTERS, DEC. 13³

United States

His Excellency
Frigyes Puja
Minister of Foreign Affairs
Hungarian People's Republic

Your Excellency:

As you know, President Carter has determined that it is appropriate and fitting that the Crown of St. Stephen and other Hungarian coronation regalia, which have been in the safekeeping of the United States since the close of World War II, be returned to the people of Hungary. We are now prepared to return the Crown and other coronation regalia in a ceremony in Budapest.

As a result of my discussions with you and with other senior officials of the Ministry of Foreign Affairs concerning the return of the Crown, it is my understanding, and that of my

U.S. , Bulgaria Lift Travel Restrictions on Diplomats

Department Statement¹

The Government of the United States of America and of the People's Republic of Bulgaria on November 9 reciprocally lifted travel restrictions on the movement of each others' accredited diplomats and their staffs within their respective countries by an exchange of diplomatic notes at the Bulgarian Ministry of Foreign Affairs in Sofia. The notes were exchanged by U.S. Ambassador to Bulgaria Raymond L. Garthoff and Bulgarian Director of State Protocol Dr. Boris Dzhibroz.

The Government of Bulgaria declared certain border zones off limits to diplomatic personnel from all foreign countries in 1964. These restrictions still apply. The Government of Bulgaria imposed additional restrictions applicable only to accredited U.S. diplomats in 1968 in response to restrictions placed on accredited Bulgarian diplomats by the U.S. Government in 1967. It is these bilateral restrictions which the exchange of notes yesterday lifted. Henceforth, the only travel restrictions applicable to U.S. diplomats in Bulgaria are those which apply to all other

diplomats, including those of other Communist countries.

By virtue of this exchange of notes, diplomats of all Eastern European countries with which the United States has diplomatic relations are free of travel restrictions within the United States except for visits to installations of national security significance. Reciprocal travel restrictions on the movement of Soviet diplomats remain in effect.

The Department of State views this reciprocal elimination of travel restrictions as a positive step by the Governments of the People's Republic of Bulgaria and the United States to implement the provisions of the Final Act of the Conference on Security and Cooperation in Europe, especially those of basket III, to "... ease the regulations concerning movement of citizens from the other participating States in their territory, with due regard to security requirements."² □

¹Read to news correspondents by acting Department spokesman John Trattner on Nov. 10, 1977.

²For complete text, see BULLETIN of Sept. 1, 1975, p. 323.

overnment, that the following arrangements have been decided upon by our two governments:

• The Crown and other coronation regalia will be returned to the Hungarian nation and people in a solemn public ceremony at a venue in Budapest which will underscore the historical, cultural, religious, and national tradition of these objects as well as the "people-to-people" nature of their return.

• President Carter, as Chief of State, will appoint a senior United States Government official, or other prominent American, as his personal representative to lead the American delegation which will return the Crown and other regalia. The American delegation will include members of the United States Congress and other representatives of the American people. It is our intention that the American delegation will include Americans of Hungarian descent chosen to exemplify the contributions of Hungary to the development of the American nation. I will inform you as soon as possible of the precise composition of the American delegation.

• The Crown and other regalia, as property of the Hungarian nation and people, will be received by the head or designated representative of the Hungarian state. We understand that representatives of the Hungarian National Assembly, Presidential Council and Government, leaders of the Hungarian Churches—including the Hungarian Cardinal-Primate and leaders of Hungarian Protestant denominations and of the National Representation of Hungarian Jews—as well as representatives of Hungarian public organizations and outstanding personalities of scientific and cultural life will be among those invited to participate in the ceremony.

• Remarks at the ceremony will be confined to statements which will emphasize traditional United States-Hungarian ties, friendship be-

tween our two peoples, and our mutual desire to continue the development of better bilateral relations.

• In keeping with the fact that the ceremony of return of the Crown will be an event of international interest, representatives of American, Hungarian, and international media, including press, radio, and television, will be permitted to film, record, and report the ceremony. Such media coverage will also be possible for the arrival in Budapest of the American delegation and for other similar events in connection with the return of the Crown.

• The Hungarian and United States Governments will, upon transfer of the Crown and other regalia, exchange notes or letters acknowledging the safe receipt of these objects and waiving any claims by each Government against the other Government arising from the United States Government safekeeping of them.

• A Joint Communique officially announcing that the Crown and other coronation regalia will be returned is to be made simultaneously in the near future by appropriate United States and Hungarian authorities.

• The Crown and other coronation regalia will be placed on permanent public display in an appropriate historical location in Budapest for the population of the country, Hungarians living abroad, and foreigners alike to see.

Your Excellency, I would appreciate receiving confirmation that you and your Government share the same understanding of the arrange-

¹Made before the Subcommittee on Europe and the Middle East of the House Committee on International Relations on Nov. 9, 1977. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government

ments, as specified above, pertaining to the return of the Crown of St. Stephen and other coronation regalia.

Sincerely yours,

Philip M. Kaiser
American Ambassador

Hungary

His Excellency
Philip M. Kaiser
American Ambassador
Budapest, Hungary

Dear Mr. Ambassador:

I wish to thank you for your letter of December 13, 1977, in which you have reaffirmed the decision of the President of the United States to return the Crown of St. Stephen and other Hungarian coronation regalia to the Hungarian people and have described your understanding of the arrangements pertaining to the return of the Crown.

I am pleased to inform you that the points outlined in your letter of December 13, 1977, clearly reflect my understanding, and that of my Government, of the arrangements which have been decided upon by our two governments concerning the return of the Crown.

Sincerely yours,

Frigyes Puja
Minister of Foreign Affairs
Hungarian People's Republic □

Printing Office, Washington, D.C. 20402.
Matthew Nimetz is Counselor of the Department.

²For text, see BULLETIN of Sept. 1, 1975, p. 323.

³Press release 570 of Dec. 15, 1977.

FOOD: Fulfilling A Basic Human Right

Andrew Young¹

It is an honor for me to be invited to give this 10th lecture commemorating Frank L. McDougall of Australia who did so much to create this wonderful agricultural arm of the U.N. system. While I was not privileged to know him, I am told that inspiration, imagination, and determination best characterize Frank McDougall.

We are often told that this planet is awfully short of persons of the McDougall mold, but this view is not acceptable to me. Many others, in all parts of the world, have the visions and inspirations of this noble Australian, and I hope and pray they also have his de-

termination. You Ministers, the Secretariat, representatives of other agencies, can best remember Frank McDougall by stimulating thought on new approaches among your colleagues.

By refusing to accept anything but the very best and by assuring that whatever we do or propose in this critical field of agriculture has, as its very base, the fullest consideration of the dignity of man and the rights given him by our Creator.

America has its roots deep in agriculture. Our greatness, our failures, our joys, and our agonies derive in large part from these roots. Thomas Jefferson was a democrat, a humanist, and a

farmer. His role in the birth of our country and in the declaration of human rights derives from his agrarian background and philosophy.

American farmers played a vital role in expanding our frontiers westward. Their determination, their courage, and their individualism rose from their closeness to and love for the land. America's commitment to human rights and individual liberty owes much to these agricultural pioneers. Our economic development in the past and our prosperity today are based in large part on our agricultural abundance. While only a tiny fraction of our labor force remains in agriculture, much of our industrial production capability and our

export potential would not exist without agriculture.

President Carter is a farmer. His farm was not run by a corporation; it was family run. His hands and his feet know well the red dirt of Georgia. Bob Bergland, our Secretary of Agriculture, is also a farmer—not an agronomist or a bureaucrat or an agricultural business executive, but a farmer—elected by other farmers to Congress and then appointed by the President.

Our background and our philosophy, our leaders and our people make the United States a strong supporter of agricultural development. We believe that international cooperation is necessary if the world's problems in food, nutrition, and agriculture are ever to be resolved. But we know full well also that great mistakes can be made in agriculture. Coming from the southern part of the United States, I am painfully aware that the organization of agriculture can be an instrument of repression and human bondage. The colonial system of agriculture in our South was based on cheap slave labor. Even after the Civil War many elements of this system remained. Hatred of land contributes to continued enslavement.

Industrialization transformed the South—its labor, its economic structure, and its social organization. Industrialization attracted the poor farmers—black and white—off the land where they could barely scratch a living. Industrialization generated a demand for skilled and educated labor. The blacks of our South could no longer be held down to fuel the profits of absentee landlords. They had to become educated, trained, and proud in order to participate in the industrialization process.

The experience of the southern United States has taught us a lesson. Agricultural development can only succeed in the long run if the rights to land and the social organization that support agriculture production and distribution are fair and just.

We must reorient our thinking toward the land and to the needs of those who labor on the land. Farmers need motivation to do their job. The work must pay. The life must be bearable. If people are to find living in the rural areas attractive, then leaders need to adopt policies that make those areas inviting and see to it that the total rural environment satisfies. The public can push for this. Many Americans believe now that they can best influence national policy by controlling their neighborhood community. Others are returning to the land in search of a better way to live.

Our experience has taught us also

that many of our urban problems have rural origins; for example, where agriculture is neglected by public officials to the point that people abandon the land and go to the cities to seek a better life. Yet in the cities, life is not necessarily better.

Food is and always has been top-level politics in my country and, I suspect, it has been and is in yours. How many times political leaders would have done better to choose a full granary than a full arsenal to prevent violence and disruption.

Food and hunger are now very much a part of the international debate between what we call the North and the South. In the past, monarchs, presidents, prime ministers and generals have risen or fallen with the fluctuations of staple food prices. Hunger knows no homeland; it violates borders, impels migrations, alienates otherwise loyal citizens. Hunger is said to be a problem of the poor, but the hungry poor, in their anger and frustration, can pull down the rich and powerful. Food is a right.

Food is a political right. Our own positions as leaders depend on guaranteeing this right. Many of us began our careers with slim waistlines and good intentions. Now we are part of a privileged group, circling the groaning tables of international diplomacy. It is, therefore, incumbent on us to stay aware: There is hunger and malnutrition, in my own country and in other lands; it can come upon us swiftly.

I grew up in the tradition of civil rights struggles to affirm popular rights. In the U.S. civil rights movement, we used to ask, "What good is it to have the right to eat at an integrated lunch counter if you can't pay the bill?" We knew we had to desegregate public accommodations; we also knew we had to confront the economic barriers to universal human rights.

What more basic right could there be than the right to food? It underpins all other human rights, for without food there is no humanity, either of body or spirit. Hunger not only saps vitality, it violates human dignity. Though many of us live with abundance, we are all aware how pervasive hunger is.

In the African Sahel even now rainfall and crops are uncertain, and the situation grows more ominous daily. In the United States too, there have been serious droughts in the West and South. Elsewhere, in the midst of natural or political upheavals, farmers do not plant. Although most of the world's granaries are overflowing today, they may not be tomorrow. Even in the midst of plenty, drought and famine are still with us. Experts tell us that a reasonable estimate of the number who are un-

dernourished in our world is 500 million. We know that many governments are hard-pressed to raise the money pay for badly needed food imports.

Today, in a period of relative plenty it is essential to work toward guarantee of the right to food for the world's population. It is time to take stock and plan against future famines.

Billions have gone into food relief in recent years. But relief ends only today's hunger; it does nothing for the long term. The ultimate goal is to ensure food security. We have the obligation now to plan preventive measures in both marketing and production that may obviate the emergency sacks of grain and help people devise ways to feed themselves.

Hunger and Poverty

Hunger is primarily a problem of the poor and the powerless. The rich somehow manage to get enough to eat. Food is not the only problem of the nomads of the Sahel, the miseries of those sleeping in the overcrowded streets of Calcutta or the hungry in Haiti. Poverty is a complex of deprivations, only one of which is hunger. But of all the misfortunes that afflict this planet, surely the lack of food is the most essential.

Our ancestors were far more aware of the mercy of natural threats to food production—drought, pestilence, floods, and disease—than we need be. We possess many techniques for solving the problems of world hunger and malnutrition. Today hunger need not be inevitable. The world can produce enough food for all—within our lifetime thanks to the advances throughout the ages, including the plow. Production, however, is only one side of the coin. The other is distribution. Who will produce more and for whose benefit? Will food be distributed so unevenly?

In attacking problems of hunger and poverty, we need pay special attention to the rural poor. One way to help the rural poor is to increase their self-sufficiency. There are many rural people who cannot pay for imported food and who live on marginal lands in fragile environments. For a variety of reasons they are unable to grow enough food, draw enough water, and plant enough ground cover to subsist. My Chinese friends say, "It is good to give a fish to a hungry man. It is better still to help him fish for himself."

Self-reliance, however, is only a part of the answer. In food, the world is interdependent. Our common task is to organize this interdependence fairly—unfinished. Many people feel helpless and angry before the fluctuations in world food prices, the insufficiencies

the present grain reserve pattern, the vagaries of marketing, the difficulties in establishing grain reserves, the scarcity of capital for investment. Even minimal global emergency food reserves fall short of what many consider sufficient. The poor nations expect a genuine reinforced effort from the richer nations.

We must renew domestic efforts to implement the agrarian reforms necessary to feed the poor. Hard political choices have to be made. Let us terminate:

- Land tenure policies which result in unfair distribution of the fruits of the land and inefficient production;
- Credit facilities that benefit the rich farmers and ignore the small- and medium-sized entrepreneurs;
- Pricing policies which deny low-income farmers a fair return on their production or place a disproportionate burden on them;
- Distribution policies which impede the free flow of vital foodstuffs from areas of abundance to areas of need, even in the midst of famine; and
- Population policies that fail to insure couples the right to determine the number and spacing of births.

Obviously each nation should insure that it is conscientiously following policies designed to help the poor to achieve their right to food. However, the community of nations collectively has a responsibility to cooperate to improve the international climate for efficient production and distribution and elimination of hunger and poverty:

- By a substantial and effective increase in resources transfer devoted to the problems of hunger and malnutrition;
- By an accelerated transfer of technology and know-how with careful adaptation to local circumstances; and
- By an improvement in the international market for food, reducing the cycle of scarcity and plenty, of high prices that take food from hungry mouths, and low prices that ruin farms financially and destroy their access to credit.

The richer nations have done far less than they might to help their poorer neighbors through resource transfers and technological assistance. Governments are supported by constituencies within their own borders who often neither know of nor care about problems in other countries. Taxes are always too high, and there is little sentiment for sending them on projects whose benefits are at best far away and indirect. Conspicuous consumption is fine for others but not if it demands a change in one's own style and patterns of life.

Protectionism, subsidization of inefficient production, and unfair commercial

practices still abound. And yet if poverty in general and the maldistribution of the world's wealth is to be corrected, we need the courage and wisdom to accept changes, not because they are easy to accomplish but because we recognize their innate justice. The food producing and exporting countries have a special obligation—to help organize a more effective and stable market for food, to use their food abundance wisely for the international good, to contribute to an effective international system of food reserves, and to disseminate their production knowledge to enhance food security for all.

Rural Development

But in spite of all that is done by the agricultural exporting nations, there will be no true independence and freedom without a well-developed program of rural development. Our task is not just to feed hungry people but to involve them in productive capabilities.

The problems of urban migration, unemployment, and income distribution that plague all of the nations of the world in some form are only exaggerated by food dependence. Rural development can be a key to both food production and the stabilization of our nations in new development patterns.

In this decade, the development plans of many countries received a rude setback from rising oil prices. Many nations experienced hunger. We have given much thought to oil and not enough to agriculture. Treated well, the land is an inexhaustible resource, not a depletable one like oil. Renewing itself every growing season, the land can protect us from the worst terrors of want. It is up to us—the international community of nations—to behave responsibly, using our resources well and effectively for the good of all. Rome is called the Eternal City. It is also the city of our sustenance.

The Food and Agriculture Organization (FAO) here in Rome has been a vital force for international cooperation in agriculture since 1945. It is deserving of our support and close attention. It is our organization, and we have the responsibility to make it an increasingly effective force in world agriculture.

The FAO's World Food Program is an increasingly important channel for food aid. The concept of food for work, pioneered by the program, can be expanded into one increasingly developmental tool.

But if food production is to be a development machine, contributing to an agriculture-based rural development strategy, the entire community of international development agencies must be

involved. The patterns of roads and infrastructure in most of the developing world are part of the colonial pattern of exploitation. They were not designed to help the nationals develop. They are still contributing to the enslavement of the people.

If this pattern is to be reversed, then freedom roads developed by the U.N. Development Program; credit availability structured through the International Fund for Agricultural Development and the World Bank; fertilizer, irrigation, and rural industrial development must somehow be done in concert.

But bureaucratic coordination can also be the death of development. We can get so concerned about protecting our bureaucratic-vested interests that we never get to the people with the resources they so desperately need.

There is a delicate balance between coordination and creative competition that must be found. Every country in the world is fighting and losing the battle of bureaucracy. Whether East, West, North, or South, we find that we are our own worst enemies.

Food Corps

One of the mechanisms which has emerged as a creative challenge to the problems of bureaucracy is the utilization of the volunteer. As a concept to help the agriculturally less developed nations of the world, I like the idea of national, regional, and perhaps even international volunteers for food production. The idea would be to integrate the best of the volunteer service concept with the best ideas for promoting efficient, low-cost agricultural productivity and technical cooperation among developing countries. Technical efficiency is as important as voluntary service and might best be built in by emphasis on both human and technical progress.

Volunteers have many strengths. They are dedicated; they are not a new bureaucracy for they are temporary. But to be effective, they must be well-trained.

For technical services, we have within the U.N. system itself considerable available backup. Moreover, since self-reliance, not exports, is the goal, village improvement needs to be kept low-cost.

Such a corps of volunteers could serve where the mechanized techniques of expensive farms are ruled out. Even if funds were available, mechanized techniques have their limits, particularly in the fragile environments where many of the people most vulnerable to famine live. There, even small shifts in weather or land use can bring disaster. Massive mechanized intervention can even result

in great waste, like the infamous peanut (groundnut) scheme in Tanzania before independence.

Such a national, regional, and international food corps would promote small improvements that reduce problems of excessive or wasteful land use, poor crops or stock varieties, erosion, grass burning, inadequate water supply, and deforestation. One part might specialize in the needs of rural women, who account for at least half of the subsistence food production of the developing world. Volunteers must have knowledge not only of different agricultural processes but also of different societies. Village agricultural development requires great sensitivity to local social relations.

Farming takes time and persistence. As outside volunteers withdraw, and the nationals take over, it is important to maintain technical backup services for some years. Too many village developments have faded away for lack of technical support during a reasonable transition period. Food volunteers would take on tasks in the context of national plans, through a process which might include dialogue with capital donors. At the outset if the international, regional, and national volunteers train together, this could reinforce the national agricultural, educational, research, and extension services. As many of the outside volunteers as possible should come from the developing countries.

Volunteers would be expected to put their hand to the plow, the pump, the wheel. However, their main charge would be to stimulate villagers to greater production and self-sufficiency to be part of a self-perpetuating chain of practical agricultural education.

This idea of food volunteers is conceived as a complement to the existing international development structures. Since any organizational planning must be done collectively, I suggest the concept only in broad outline; it must, of course, fit into the existing international system and benefit from existing national services.

In our struggle against hunger and malnutrition, a food corps concept is only a step. Who would not volunteer in such a cause? Of course, this cannot answer all our problems; there is no simple single answer. Working to develop this concept can refresh our dialogue, give us strength to solve conflicts among ourselves, and renew our dedication to alleviating global hunger.

This year I had the good fortune to travel to several African and Caribbean countries. In Jamaica, I met people who said, "Why should a poor country, with good land, import food?" In Guyana I was impressed by the cooperative villages I visited and by the towns where

authorities gave people land and encouraged farming.

But perhaps the most impressive lessons were those from Costa Rica and Ivory Coast. Both are countries with extremely limited mineral resources; their development of the land has been the key to all of their industrial development and social progress.

There are still many problems, but the food self-sufficiency by these countries is the basis not only for an export potential and earnings of foreign exchange but the basis of a new social development and political freedom. Thus, even in bad times, townsmen who have no jobs can still subsist from their own harvests.

The poor nations are right to expect a genuine reinforced effort from the richer nations, but they must work toward their own balanced agricultural development. No country has developed a powerful economy without strong agriculture. This does not mean each country is self-sufficient, but it has to develop its agrarian economy to insure a firm foundation for its development.

Our backgrounds differ in many ways and we have many different viewpoints. As Julius Nyerere [President of Tanzania] has said, "The nations must have the courage to talk about their difference and must hold fast to the principles of our common humanity."

The basic human need is for a filled breadbasket; a bowl of rice or millet; and for the balancing nutrients of greens, protein, fruit, and milk. Our larger objective is to create a global food system integrated enough to meet everyone's needs for adequate nutrition, flexible enough to respond to the rapidly changing conditions in agriculture, and yet producing an absolute increase in the total amount of food so that there is enough to go around.

Never before in history have these goals been so attainable and so necessary for the survival of us all. Food security is not just bread for the hungry; it is some guarantee of peace for the world.

The patterns of agricultural and economic cooperation which can produce a sugar agreement or evolve a common fund can also contribute to an interdependence and mutual understanding which limits the potential for starvation, military destruction, and civil strife.

There is no task which requires more urgency than "the beating of swords into plowshares and spears into pruning hooks." Cruise missiles and backfire bombers don't offer nearly the national security that comes from a full harvest and well-fed, well-educated, and productive farmers. All of our cities are exploding with anxiety and discontent

while a rural opportunity for peace a prosperity beckons.

We can fulfill these goals in our time. American students have begun to focus on an end to world hunger by 1985. It was the creative power of our youth which successfully challenged racism and discrimination in the 1960's and ended our involvement in Vietnam in the 1970's. Surely the youth of the world with our help can end world hunger by the 1980's.

If that dream can be realized, it is not too visionary to believe that true food security for the peoples and nations of this planet be a reality by the end of the century.

¹Statement at the Food and Agriculture Organization in Rome as part of the McDougall Lecture on Nov. 14, 1977; Ambassador Young is U.S. Permanent Representative to the United Nations (text from USUN press release 116 of Nov. 15)

Food Aid

Foreign Relations Outline¹

Since World War II the United States has supplied extensive food aid to many nations. Although joined by Canada, Australia, and several Western European nations, we remain by far the most important food donor. The main vehicle for U.S. assistance is the 1954 Agricultural Trade Development and Assistance Act (Public Law 480). In the past PL 480 served as a method of market support for the United States and as a means to meet a deficit country's immediate needs for food. Its main purposes today are twofold:

- Meet the nutritional needs of the poorest people. This aim is served by PL 480 Title II grant aid, which supplies free food to those unable to buy it and
- Encourage agricultural development in the less developed countries. This objective is met by PL 480 Title I concessional sales of commodities to the local market; funds realized from these sales finance development measures.

The World Food Program and U.S. voluntary agencies normally administer Title II programs and oversee food distribution in the recipient nations. In FY 1977, PL 480 food shipments totaled more than 6 million tons—will total

bout \$800 million in sales and over 400 million in grants. FY 1978 levels are expected to be similar, but grant aid will be increased.

J.N. World Food Conference

Convened in Rome in 1974 to focus attention on global food problems, the conference adopted several resolutions, including a target for distributing as aid a minimum of 10 million metric tons of grain per year. We agreed to contribute our fair share of this amount. The conference also concluded that food production in the poorer nations must be increased rapidly if hunger and malnutrition are to be eliminated. We are attempting to encourage this necessary increase in production through food and other aid.

The conference further recommended that an international system of nationally held grain reserves be established to prevent recurrence of the food shortages and highly volatile price situation of the early 1970's. We support this proposal and favor negotiating a new international wheat agreement that would contain an international security reserve feature. Finally, the conference proposed that barriers to international food trade be liberalized to stimulate production and help stabilize prices. The United States is actively pushing this objective at the multilateral trade negotiations in Geneva.

PL 480 Legislation

In August 1977 Congress made several major changes in PL 480, including an increase in the minimum shipments required under Title II.

Food for Development. The most important change was the establishment of Title III (Food for Development), which permits signing agreements with recipient countries for a specified annual value of agricultural commodities—to be delivered over a 1–5 year period. If planners can be assured a certain level of assistance over a longer period than the present 1 year, they can better integrate that aid into their national development programs.

To qualify for Title III concessional food assistance, a country must meet the International Development Association's poverty criterion—now \$550 per capita GNP—and demonstrate a need for food aid. The recipient must also agree to improve agricultural productivity as well as the situation of its rural poor. Funds generated from PL 480 commodity sales are to be placed in a special account to finance these projects; the amount disbursed will constitute repayment of the amount owed the United States for the imports.

Human Rights. Another change in PL 480 prohibits Title I and III assistance to countries grossly violating human rights, unless it would directly benefit the needy people of those countries.

Improved Administration. In response to criticism of food aid administration, Congress required the executive branch to determine, before PL 480 assistance is supplied, that adequate storage facilities are available and distribution of the commodities will not create a substantial disincentive to food production in the recipient country.

Title II. This grant program is to be increased from a minimum distribution of 1.3 million to 1.6 million tons in FY 1978 through FY 1980, to 1.65 million in 1981, and to 1.7 million thereafter. The amount of this assistance to be distributed through voluntary agencies and the World Food Program is also increased.

Benefits

PL 480 food aid has been a vital part of America's foreign assistance effort for over 20 years. It has not only benefited other nations but has also assisted American farmers and created U.S. jobs. With the recently adopted improvements, PL 480 should be an even better tool for helping to improve food production and distribution in developing countries. Almost all nations now realize that such an improvement, concomitant with a limitation of population growth, is the only way to solve their food and malnutrition problems. □

¹Based on a Department of State publication in the GIST series, released in October 1977. This outline is designed to be a quick reference aid on U.S. foreign relations. It is not intended as a comprehensive U.S. foreign policy statement.

HUMAN RIGHTS: U.S. Observes Human Rights Day at Belgrade Conference

by Arthur J. Goldberg¹

It is altogether fitting that this Belgrade meeting take proper recognition that tomorrow is Human Rights Day. My government and most other members of the United Nations, as well as many groups and individuals, will be observing the 29th anniversary of the adoption of the Universal Declaration of Human Rights,² which as I noted in a prior intervention, is incorporated by reference in the Final Act.³ Today I would like to suggest that the participating states of the Helsinki accord have a special opportunity to do more than "observe" this event of transcendent importance. Separately and together, we can—if we have the political will—translate the rhetoric of celebration into the concluding document and into actions that will benefit our citizens as individuals and our nations as members of a stable worldwide community.

At the heart of the Universal Declaration is its recognition that "the inherent dignity and . . . the equal and inalienable rights of all members of the human family" lie at "the foundation of freedom, justice and peace in the world." That same concept animates

the Final Act. It is paraphrased in the preamble, detailed in principle 7, and specified in the act's humanitarian provisions.

As a concept, the line between the dignity of the individual and the just ordering of the society in which he lives is an old precept for many of our societies. As a foundation of international order, it is a relatively innovative idea, a vision born of two World Wars, and the determination to promote justice, liberty, and economic security. The Universal Declaration speaks of "barbarous acts which have outraged the conscience of mankind" and ties their prevention to the promotion of "friendly relations between nations."

Our conference in Belgrade has been exploring ways in which to deepen those relations, not the least through the promotion of the human rights the Universal Declaration proclaimed. We are approaching the time for action—the drafting of our final document based on this review of our shortcomings as well as the advances we have made and the proposals tabled. It is appropriate to summarize the possibilities and challenges before us.

The U.S. delegation has consistently adhered to the view that this meeting

has been and is required frankly and honestly to review the record of the implementation by all of the signatory states, as well as to consider new proposals to further implementation. We also are of the view that we are obligated individually and collectively to reaffirm our determination to fulfill our solemn undertakings in the Final Act. Further, we firmly believe that we must give adequate consideration to the Final Act's innovative commitment on respect for human rights and fundamental freedoms, including the freedom of thought, conscience, religion, or belief, and we must comply with these provi-

sions. To this end my delegation, joined by others, has sponsored proposal BM/60 reaffirming principle 7 and seven other resolutions emphasizing and endorsing other specific humanitarian measures of the Final Act.

We should, in the opinion of my delegation, and in fidelity to the Final Act, also give special and collective acknowledgement to the valuable and privileged—and what should be the protected—role of individuals and organizations in furthering the process of implementation through their public scrutiny of developments and practices in their own and in other signatory

countries. This too is the subject of a proposal which we and others have tabled.

And we should also jointly pledge our energetic efforts both to protect the rights of religious believers among our citizens and to facilitate international contact among them, as the Final Act stipulates.

Our giving of such commitments will be understood around the world as a fresh contribution to the process begun in the Universal Declaration of Human Rights and the Final Act. We all recognize that much of the Final Act depends for its realization on the unilateral actions of each of our states. In the area of human rights and fundamental freedoms, the initiative and responsibility for action lies very much at home subject, however, to the type of international accounting we have been seeking in the important review we are conducting at this meeting.

In the United States, the agenda of unfinished human rights business is not fully realized, although we are proud of our overall record. It includes action on ratification of certain international agreements in the field of human rights which President Carter signed at the United Nations on October 5.⁴ It includes programs—none of them yet perfected, but all of them already solid governmental policy commitments—to advance the equal rights of minorities and the economic security of all citizens. And, finally, it includes the search for better ways to implement the policy, enshrined in such legislation as our Foreign Assistance Act, of promoting “the increased observance of internationally recognized human rights.”

The effort the United States is making is a sincere one. We would hope that other nations would, in the same spirit, examine their conduct to see, by way of illustration, whether the right to religious education is truly fostered whether believers can freely profess and practice their faith, whether opportunities for free association of believers to worship and celebrate their religions are honored in fact as well as words. It is a fact of life that in some nations of Eastern Europe those conditions do not obtain. This is a matter of grave concern to the United States. One hundred and forty million Americans are identified with Protestant, Catholic, Jewish, Moslem, Buddhist, and other religious groups of their own choosing. This is safeguarded by the first amendment to our Constitution which guarantees the free exercise of religion. Our people share the belief of the poet Tennyson, who once wrote that “More things are wrought by prayer than this world dreams of.” We regret

Bill of Rights Day, Human Rights Day and Week

A Proclamation¹

This month marks the anniversaries of two great events in the long struggle for the rights of human beings: the ratification of the American Bill of Rights on December 15, 1791, and the adoption of the Universal Declaration of Human Rights by the United Nations General Assembly on December 10, 1948.

The Bill of Rights culminated the Founders' efforts to create for their new country a national life grounded in liberty and respect for individual rights. The Declaration of Independence proclaimed the inalienable rights of life, liberty, and the pursuit of happiness. The Constitution formed a “more perfect Union” in which those rights could be fulfilled. And the first ten amendments to the new Constitution placed the keystone on this new edifice of human rights. The immediate application of those rights extended only to one country, and only to some of the people in it. But because those rights were proclaimed as the natural birthright of all human beings, the documents that embodied them were rightly seen to have a profound and universal significance.

It is a lesson of history that no enumeration of rights, however eloquent, can alone ensure their protection in practice. We Americans struggled, sometimes bloodily, to make the rights promised in our founding documents a reality for all our people. That experience of successful struggle for human rights in our own country was both painful and ennobling, and it propelled us into a leading role in the adoption of the Universal Declaration of

Human Rights by the United Nations. As a people, we believe what that Declaration says: that the promotion of respect for human rights is the shared responsibility of the world community. We call on the governments of other nations to join us in discharging this responsibility.

Everywhere on earth, men and women have made great personal sacrifices, even to the laying down of their lives, in the long struggle for justice and human dignity. By their sacrifices, they have already hallowed the human rights anniversaries I proclaim today.

Now, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim December 10, 1977, as Human Rights Day and December 15, 1977, as Bill of Rights Day, and call on all Americans to observe Human Rights Week beginning December 10, 1977. Let us reflect on the significance of the Bill of Rights, which has given purpose to our national life, and of the Universal Declaration of Human Rights, which holds the promise of greater liberty in the lives of all the inhabitants of our planet. Let us recommit ourselves, as individuals and as a Nation, to the realization of these rights, the guarantee of which we hold to be the essential purpose of the civil order.

IN WITNESS WHEREOF, I have hereunto set my hand this ninth day of December, in the year of our Lord nineteen hundred seventy-seven, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER □

¹No. 4542, 42 Fed. Reg. 62467.

fact that grave violations of basic human rights and fundamental freedoms—including freedom of thought, conscience, religion, and belief—exist in some of the countries of the East.

Fundamental to the pursuit of human rights is the unfettered expression of divergent and peaceful views. Tomorrow, observing an anniversary of great importance to the promotion of human rights, let us not forego those who have been unjustly punished simply for expressing what is characterized as dissent. A number of the signatories of this meeting have such prisoners of conscience.

Tomorrow's anniversary is an important occasion to recommit our conference to advance toward the human rights goals of the Final Act. As the Secretary General of the United Nations said in his statement on the occasion of Human Rights Day, "... the protection and promotion of human rights is now among our most urgent priorities. Much has been accomplished over the years, but regrettably much still remains to be done. Disturbing violations in various parts of the world contradict the goals and ideals we have proclaimed not only in the Declaration, but in the Charter of the United Nations, and they stand as serious barriers in the way of international peace and security."

We have cited specific cases, categories, and countries during the review of implementation at this meeting dealing with significant and regrettable aspects of human rights' violations, and President Carter on December 5, in responding to our CSCE Commission, has said in great detail both the progress made, as the Secretary General of the United Nations has pointed out, the disturbing violations of human rights which occurred and are still all too prevalent in various parts of the world. My delegation will make President Carter's report, citing chapter and verse, available to all delegations.⁵

It would be fitting—in the spirit of this day and of the obligation the Final Act puts on each participant—for appropriate authorities to examine again their compliance in light of the Universal Declaration and the Final Act and to take appropriate remedial action. And we have a special obligation in this connection in light of the specific human rights and humanitarian provisions of the Final Act.

We should respond to Secretary General Waldheim's call for "... all Governments, non-governmental organizations and peoples in every nation to commemorate the historic occasion we mark today by rededicating themselves to securing the fundamental freedoms

set forth in the Declaration." The Final Act mandates us to do so.

I have suggested some actions our states can take here in Belgrade and elsewhere to give fitting tribute to tomorrow's anniversary. I can only add that lipservice is not real observance of human rights; actions and practices are the true test of a society's commitment to its ideals. As His Excellency, the Honorable Lazar Mojsov, President of the 32d session of the General Assembly, said in his remarks commemorating this occasion: "The oppression of man and non-respect for human rights have always been negative omens of social unrest and even international conflict. In the interest of peaceful and progressive advancement to a better, more secure and more just world, the human community as a whole must, once and for all, do away with such manifestations which jeopardize fundamental human rights."

In light of the comments made by delegates representing some of the countries of the East questioning the relationship between human rights and security, the comments by the President of the Assembly and the Secretary General of the United Nations provide a definitive answer.

As the remarks by Secretary General Waldheim and General Assembly President Mojsov so eloquently point out, peace, security, and human rights are indeed indivisible, and all those who seek detente must recognize that the detente we seek must have a human face if it is to be effective and enduring. □

¹ Address at the plenary session of the Conference on Security and Cooperation in Europe (CSCE) in Belgrade on Dec. 9, 1977; Ambassador Goldberg is Chairman of the U.S. Delegation to the CSCE.

² For text, see BULLETIN of Dec. 19, 1948, p. 752.

³ For text of the Final Act of the Conference on Security and Cooperation in Europe (CSCE) signed at Helsinki on Aug. 1, 1975, see BULLETIN of Sept. 1, 1975, p. 323.

⁴ For remarks of President Carter upon signing the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights, see BULLETIN of Oct. 31, 1977, p. 586; for texts of covenants, see BULLETIN of Jan. 16, 1967, p. 107.

⁵ Copies of the report may be obtained from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

Release of Political Prisoners¹

The State Department welcomes the release on December 31 by the Korean Government of all but one of the so-called Myongdong prisoners as the latest in a recent series of positive actions which mean that a large number of persons will start the new year in freedom.

Acting Secretary of State Warren Christopher said that the Department takes encouragement from this and related developments and hopes they presage a year of progress in 1978 in the enhancement of human rights.

The Myongdong prisoners who were released today in Korea were opposition political and religious figures arrested in connection with promulgation of an antigovernment manifesto at Myongdong Cathedral in Seoul in March 1976. Former presidential candidate Kim Dae-jung, the one Myongdong prisoner not released, has been moved to Seoul University hospital for medical treatment.

Among the other recent actions was the release by the Government of Indonesia of some 10,000 political

prisoners, as part of that government's announced 3-year plan to release the remaining political prisoners currently being held. The releases were noteworthy in that prisoners were permitted to return to their homes and were not assigned to transmigration centers as originally anticipated.

In addition, the Government of Pakistan also announced recently the release of some 11,000 political prisoners who had been detained—according to the Government of Pakistan—under the previous Administration.

Earlier this month the Government of Bangladesh announced the release of 935 political prisoners.

While welcoming these most recent prisoner releases, the Department recognizes that the human rights situation worldwide, including the problems of political prisoners, remains a matter of deep and continuing concern. The United States will continue to urge, and to work for, improvement in all aspects of human rights. □

¹ Press release 586 of Dec. 31, 1977.

MIDDLE EAST: Visit of Secretary Vance

Following his trip to Brussels to attend the North Atlantic Council ministerial meeting, Secretary Vance visited the Middle East December 9-15 and met with government officials in Egypt (December 9-10), Israel (December 10-12), Jordan (December 12-13), Lebanon (December 13), Syria (December 13-14), and Saudi Arabia (December 14-15). Following are news conferences by Secretary Vance and foreign leaders on various occasions during the trip, as well as Secretary Vance's statement upon his return to the United States.¹

NEWS CONFERENCE, CAIRO, DEC. 10²

Secretary Vance: I have had the pleasure this morning of meeting with President Sadat and exchanging views with respect to the forthcoming Cairo meetings and our joint search for a peaceful solution to the problems of the Middle East. I told President Sadat of the great admiration and respect which all of us have for the historic events which he set in motion with his courageous trip to Jerusalem. A new momentum has been given to the peace process by this bold initiative, and we in the United States shall do everything within our power to help maintain that momentum.

Our objective remains a comprehensive settlement. There are many things which have to be done to pave the way to an ultimate meeting at which a comprehensive settlement can be reached. The Geneva meetings will be the ultimate meeting at which that could be arrived at. The Cairo meetings will be a step on the way and will pave the ground here at these meetings toward the ultimate comprehensive proposal.

Q. Do you have an indication that the Soviet Union is going to maintain its role as cosponsor of the peace talks?

Secretary Vance: The Soviet Union has indicated that it will remain as a cochairman of the Geneva conference. It has indicated that it will not participate in the Cairo meetings. We had hoped that they would participate in these meetings because we believe that the Cairo meetings can and will perform a very constructive role in paving the way toward an ultimate Geneva conference.

Q. What is the American role in the coming future steps, either in Cairo or in Geneva or in the final settlement? What are the American commitments?

Secretary Vance: We will be playing a supportive role to the initiative which has been taken—the bold initia-

tive by President Sadat and Prime Minister Begin.

Q. Are you hopeful that the Cairo conference will produce a set of principles for a comprehensive settlement that will commend themselves to some of the other Arab leaders in this area?

President Sadat: We are working. I have already proposed this Cairo meeting to work toward this end. Instead of starting discussing procedural arrangements in Geneva, we should agree upon all these points and prepare the whole approach and the land, like the Secretary said, for Geneva to succeed.

Q. What do you expect of the American role?

President Sadat: Someone said that after my initiative and after I visited Jerusalem that the American role is of less importance; I say no. The American role after my visit is much more confirmed, like I said it before. And no one can imagine that in 30 hours' visit to Jerusalem and having discussions with the Israelis responsible have solved already the 30 years'—the last 30 years—difficulties that we had among us. So the American role, as I said, is confirmed rather than minimized.

Q. How long do you think the Cairo meeting will go on for? When do you think a Geneva conference could now be convened?

President Sadat: Let us hope that they reach the end that we are agreed upon; that is, preparation for Geneva. The time is open. The discussion also is open. That is what I have agreed already today with Secretary Vance. Really, you should always skip any fixing of dates or so, as much as the Cairo conference is working and preparing and paving the way toward Geneva. The peace process is in momentum, and that is what we are after, all of us.

Q. Do you need the United States' help to negotiate with Israel, or will you take care of all the negotiations yourself?

President Sadat: The United States

is, number one, cochairman. Number two, the United States enjoys the confidence of me and the Israelis. And this of great importance, because as I told you, whenever we need to bring our discussions to, I mean, a proper way, whenever there is a gulf between us, the United States for sure can bring us together.

Q. Could you please tell us whether or not you are pleased with the Israeli response to your initiative that has resulted—the Israeli response over the past 2 weeks?

President Sadat: Not yet. They haven't answered.

Q. What specifically do you want the Israelis to do at this stage?

President Sadat: I shouldn't say before the microphones and so forth.

Q. At what point do you expect Syria and Jordan to come back in this process?

President Sadat: In the meeting we have arranged their places for them to come, and whenever they choose to come we shall be very happy to have them with us. I told King Hussein [Jordan] yesterday and I told him to take his time. I'm not urging him.

Q. Are you at all upset or dismayed at the continuing criticism of your initiative by some Arab governments and by the Soviet Union?

President Sadat: Not at all. It has happened before, even much more vehement than this time you remember after the second disengagement agreement; for one year and a half they continued, but it doesn't worry me at all. And, unfortunately, this is our habit.

Q. There is a great deal of speculation that if the other Arab leaders do not approve a set of principles for a comprehensive settlement that you will then seek a separate peace with Israel. Is that accurate or not?

President Sadat: Not at all, not at all. I would have fulfilled it either before Jerusalem or during my visit after that. Really, our aim will always be a comprehensive settlement.

Q. You spoke twice of Geneva—the ultimate meeting at the end of this process that is being launched now. Does that mean that you now see Geneva as a place to ratify and confirm agreements reached previously and no longer the place where the agreements have to be worked out?

Secretary Vance: What I meant I

It was that, as both President Sadat and I have said, there's a great deal of work to be done to pave the way to Geneva so that Geneva can be fruitful and productive. That does not mean that there would be no substantive negotiations at Geneva.

Q. Is it contemplated that this conference will expand to the foreign minister level in the next month or so?

President Sadat: Let us hope so. But this will depend upon the development after the meetings take place here, and it is a possibility, yes.

Q. Have you agreed with King Hussein on the Palestinian question?

President Sadat: King Hussein and I agree to the strategy that has been adopted by the Arab summit in Rabat. This strategy contains two points: number one, the withdrawal from the land occupied after 1967; number two, solving the Palestinian question, all the aspects of the Palestinian question. It is not a humanitarian question anymore. Part of it is humanitarian—I mean the refugee problem—but still the solving of the problem in itself. So King Hussein and I, when we have our discussions, we have discussed all these issues according to this strategy.

Q. At what point do you expect to bring the Palestinians into the discussions?

President Sadat: Let me say this. We are ready to have them with us; their peace will be prepared for them whenever they choose to come.

Q. Back in 1973 the whole idea of having cochairmen at the Geneva conference was that the United States was the closest friend of your enemy Israel and the Soviet Union was thought to be the closest friend to Egypt. Have events moved so fast, has your relationship with Moscow changed so much that this structure is no longer useful?

President Sadat: I fear that you are not following what is happening really. My difficulties with the Soviet Union were long before the October war. And to this same issue they wanted to be my spokesman or my guardian. And I refused. And I still refuse this. This has happened long before the October war and continued after the October war.

Q. [Inaudible] Rabat summit decision about the Palestinians, that Rabat decision to which you refer, that the Palestine Liberation Organization (PLO) is the sole representative of the Palestinians. Is it still, still now, for you?

President Sadat: That the PLO is representative? Yes. Yes, in spite of the fact that the Tripoli conference

in its decisions has canceled this.

Q. Did you ask Mr. Vance this morning for specific help on preparing the agenda for the Cairo conference?

President Sadat: I must tell you this. We are in constant contact exchanging points of view all the time. But there is nothing specific that I asked the Secretary today. We have discussed the whole thing and all the alternatives.

Q. You said that the Tripoli conference had canceled the understandings of the Rabat conference. In what way?

President Sadat: In the field of the PLO and in the field of working toward a peaceful settlement because we have agreed in Rabat to push the peace process to achieve those goals.

Q. Do you mean that after Tripoli, that the PLO is no longer the sole representative of the Palestinian people?

President Sadat: No, I didn't say this at all. I said that in spite of the fact that they have canceled this in Tripoli, King Hussein and I are sticking to the Rabat decisions.

Q. How has the direct negotiations between Israel and Egypt changed the American role? In what ways, as you see the American role, has it changed and how has it changed?

Secretary Vance: From the very first and for many years the United States has said that we believe that a settlement of the Middle East problem must be reached by negotiation between the parties themselves. We have always said that the United States wanted to do

all in its power to facilitate such discussions. That remains our position.

We welcome direct discussions between the parties such as those that will be taking place between Egypt and Israel, and we will continue to do what we can to facilitate that process.

NEWS CONFERENCE, JERUSALEM, DEC. 11³

Prime Minister Begin: There is reason to be optimistic. Now, on behalf of the Government of Israel and the people of Israel, may I welcome our honored guest and dear friend, Secretary of State Mr. Vance, to Jerusalem and to our country and his friends and colleagues who accompany him on this very important journey to the Middle East.

Before President Sadat arrived in Jerusalem, I sent a cable to the President of the United States in which I said, *inter alia*: "People in our country and abroad contend that this is an historic moment. You have created it, Mr. President."

Tonight I think it's a propitious moment to repeat that appreciation we, the Israelis, have for the President, for the Secretary of State, for the Government of the United States, and the Congress in both Houses in connection with these momentous developments in the Middle East—the unprecedented visit of President Sadat to Israel and, to the same extent, the unprecedented reception accorded to him in this country by our Parliament, our government, and our people.

We are now in the midst of the

Egyptian President Sadat and Secretary Vance meet at the President's rest house outside Cairo.



peacemaking process. We are now making a serious real effort to achieve and to establish peace in the Middle East. I would like to stress that it is the accepted policy of the Governments of the United States, of Israel, and of Egypt that the efforts are for a comprehensive peace settlement, that there is no intention to have two countries reaching peace and signing a peace treaty and leaving the other countries out of this effort. To the contrary, we intend to do our utmost and best to bring about the establishment of peace the signing of peace treaties between Israel and all her neighbors—to the south, to the east, and to the north. And in this effort, we are helped to a very great extent by the Government of the United Nations [sic], by the Government of the United States, by the President, and the Secretary of State.

It is in this spirit, Mr. Secretary, that we welcome you again in Jerusalem. You are not a novice to this city, you are almost one of the family, and we have met many times in this hotel. May I say that the Secretary of State actually traveled the same road President Sadat did 3 weeks ago, and the Secretary came from Cairo to Jerusalem and then went to the King David Hotel and then we had a private talk. It's all almost a repetition of what happened 3 weeks ago and again all has been done in friendship, in understanding, in pursuit of peace.

Secretary Vance: Thank you very much, Mr. Prime Minister, for your very kind words.

I bring with me the appreciation, the gratitude, and the admiration of President Carter and of all Americans. The leadership which you and President Sadat have given to the movement for peace is something which history will record for generations to come. I am terribly pleased that I am able to be here at this point to meet with you and to discuss what we can do to help follow the leadership which you and President Sadat have given to the search for peace. I feel that our discussions today which have been, as always, friendly and fruitful have helped very much in guiding our steps in a supportive role in the days ahead. So I thank you again on behalf of myself, my colleagues, and the President, and I share your hope. I think that there is a chance of moving forward now toward real peace, a true and lasting peace.

Q. You've been to Egypt and Israel; can you tell us how things will go beginning Wednesday in Cairo, what you see happening at least as far as you can into the future?

Secretary Vance: On Wednesday the meeting of Cairo will commence. The meeting, as President Sadat has indicated, is an open meeting. It has no fixed date within which to accomplish its task. I anticipate that there will be discussed at the meeting matters of substance as well as matters of procedure. I believe that it is possible in those meetings to chart the course, to pave the way toward an ultimate comprehensive settlement as the Prime Minister has said. Our objective—the objective which we all share—is that we may achieve a comprehensive settlement of all of the issues which have troubled the Middle East for so long and that this step will be a very important step along that road.

Q. Based on what the Secretary has told you, do you see at the moment any realistic possibility that Syria and Jordan or either one of them will take part in the Cairo conference toward this comprehensive peace that you both say you see?

Secretary Vance: At this moment both Syria and Jordan have indicated that they do not intend to participate in the Cairo conference. This is a decision which each must take as an independent sovereign nation. What the future will hold, I do not think any of us can predict. We hope that they will keep an open mind and, as the peace process moves forward, that they will decide to join the peace process. But we must look to them to make that decision.

Prime Minister Begin: I can only express hope that both Syria and Jordan will join in the effort. You remember in the Knesset I invited them already for the third time, either to come to Jerusalem as President Sadat did, or if they would prefer me to go to see them, I will go any place and meet them. But I understand that this is a part of the American effort now, and, therefore, the Secretary of State is here and will visit both Amman and Damascus to try indeed to convince the leaders of the two countries that they can join. Of course, it is up to them. We want them to participate in the effort together with us.

Q. Is it possible that you can get these other parties that Mr. Begin just mentioned to participate after an interval, perhaps after the first of the year when the Cairo conference might possibly take another level or another dimension?

Secretary Vance: I think that it is possible that these other countries may decide at some point to join the peace process as the Prime Minister said. All of us hope that this would be the case,

and we will continue to urge that they keep an open mind and join the peace process and try and help in achieving the common goal which all of us share, because I do believe that they, too, want peace.

Q. [Inaudible] one of the things that might make it easier to change either the form or the venue of the Cairo conference?

Secretary Vance: I think that we must proceed with the Cairo conference and see what happens as we go along that road. The peace process is a continuing process and hopefully, at some point, the others will join.

Q. You opened by saying there is reason to be optimistic. What cause do you have for optimism?

Prime Minister Begin: What I would like to say, and the Secretary will also confirm it, is that this is the first time for 29 years that Israel and the largest Arab state, the strongest Arab state, embarked on direct, face-to-face negotiations with a purpose—the declared goal by both of them—to sign peace treaties. Let us not forget this very important fact. It is a turning point in the history of both these countries. Now, there is a negative phenomenon, the Tripolitanians. But we believe it is passing, because they are interested and should be interested in joining these efforts. Now, we meet, we talk. We shall go on meeting. We clarify matters. We make effort, an intellectual effort, all of it. And therefore, there is reason to be optimistic.

Q. The Israeli Office of Information put out an extract of an editorial from the New York Times today which said, and I quote: "durable peace means Israeli concessions that will go beyond Sinai, that will include security arrangements with Syria and Jordan, too. The price for security: abandonment of the demand for sovereignty over the West Bank." I wonder if you have a comment on that.

Prime Minister Begin: Whatever detail will be proposed by any of you I will give the following answer. It is a very serious answer, may I say. We are now in the midst of the most delicate negotiation to establish peace after so long, protracted years of warfare between the countries. Give a chance to that negotiation. And everything is, as I said time and again negotiable; of course, except the destruction of Israel. And everything will be negotiated. But the negotiation will take place in Cairo, in Geneva, in Jerusalem, with all due respect, not before the camera of our

mighty friend, the television.
Q. With all deference to your desire not to conduct negotiations here, can you, without going into detail, tell us whether since the Sadat visit there has been new thinking concerning Israel's positions with regard to the West Bank?

Prime Minister Begin: New or old, thinking; this is the issue. And we are thinking.

Q. I'd like to know whether you think that unanimity in the Arab world is a prerequisite for the achievement of progress in Geneva, in Cairo, in Jerusalem. And the contrary, whether progress in those places is contingent upon unanimity in the Arab world. And I would like to ask the Secretary particularly this question: Is the United States concerned about the deep split in the Arab world because of recent events? If so, could he please tell us why?

Secretary Vance: We would all like to see unanimity because the sooner unanimity is achieved, the more rapid the progress would be toward peace. That does not mean, however, that progress cannot be made even though one has less than unanimity.

Q. Yes, it's obvious that there has been a split in the Arab world. However, as the moves forward, I think all of us hope and believe that there is a possibility that that split can be healed, can disappear, and that one can find a greater degree of unanimity than there is at the present time. But I think there is a chance for real peace, and we must get started on that course.

Q. Is there a complete understanding, an agreement between Israel and America regarding Israel's standing and attitude in the Cairo conference?

Secretary Vance: We have no differences of view with respect to the Cairo conference. We have been meeting during the last 2 days to talk about both the substance and the details of the Cairo conference, and I look forward to a fruitful conference.

Prime Minister Begin: I concur.

Q. Is it desirable from your point of view and do you think it would be possible for the Cairo conference to produce a set of principles for a comprehensive settlement?

Prime Minister Begin: Yes, I think this is really the purpose of the Cairo conference. Now the delegations, both of Egypt and of Israel, will deal with the basic principles of the peace treaties to be negotiated, con-



Wide World Photos

U.S. and Israeli officials hold a working dinner in Jerusalem during the Secretary's visit. From left to right: Secretary Vance, Israeli Defense Minister Ezer Weizman, Director of the State Department's Bureau of Intelligence and Research Harold H. Saunders, Political Adviser to the Prime Minister Yehuda Avner, U.S. Under Secretary of State for Political Affairs Philip C. Habib, Prime Minister Begin, Israeli Foreign Minister Moshe Dayan.

cluded, and ultimately signed. And, as you know, under international law, there are many chapters and articles, sections and subsections of a peace treaty of very great value to the future of any nation which signs such a very important document of international standing and value. And this is going to be discussed in Cairo, and again I want to stress, it will be a sample for the peace treaties to be signed with all our neighbors to the peacemaking process which starts now in Cairo. Under no circumstances will it be the end; it will be the beginning of that process which ultimately must bring about the establishment of permanent peace in the Middle East.

Q. The whole set of principles—should they also include the Palestinian issue?

Prime Minister Begin: The problem of the Palestinian Arabs will be discussed, debated; we think of it, and I'm sure we shall find a solution for this problem.

Q. In the absence of other Arab governments at Cairo, would you be inclined to regard President Sadat as a person who can reflect their views and, indeed, discuss issues which apply not only to Egypt but to the other governments with which you wish to make peace at some later stage?

Prime Minister Begin: While in Jerusalem, President Sadat said that when we start talking directly about peace, he would like to represent, if I may say so, the Arab cause, and we agree. So I have no doubt whatsoever

that in Cairo our delegations will talk not only about the bilateral relations between Egypt and Israel but also about the problems concerning other countries in the Middle East neighboring with Israel.

I can only imagine that President Sadat will not claim that he can speak, for instance now, on behalf of President Asad [of Syria], because President Asad doesn't agree to talk with us. So this is a problem, indeed, of the peacemaking process. Let us have some patience.

If for the time being there are those who take a negative attitude, we should be optimistic. It will change—I believe it will change—and they will join in that effort. It's a problem of time; let us give ourselves some time.

Q. We've seen Secretaries of State coming through the Middle East now fairly often on sometimes successful, sometimes unsuccessful missions but always in a role of mediator. Now that there are direct face-to-face negotiations, how do you gentlemen, especially after the talks in Cairo and here, envisage the role of the United States in the future in these discussions?

Secretary Vance: The United States is delighted that we have face-to-face discussions going on between Israel and Egypt. It has been our hope for years that the time would come when the parties could sit down together face-to-face and discuss the serious issues that had to be resolved in order to get peace. We have said time and again that that's the only way

you're going to achieve a real peace.

Our role continues that of a mediator, a facilitator; that is the role we intend to play. We want to be supportive of the discussions face-to-face among the parties.

Prime Minister Begin: You said that the Secretary of State is visiting the Middle East often. As a citizen of one of the host countries, I will add: Not often enough!

Secretary Vance: Thank you Mr. Prime Minister. [Laughter]

Q. President Sadat was asked yesterday in Cairo whether he was pleased with the Israeli response to this initiative. He said, no, not yet. They haven't answered. My question is, one, do you intend to answer, and, two, when do you intend to answer? Would that be after Cairo or before Cairo?

Prime Minister Begin: You might have seen that we do not go into public polemics about any statements whatsoever. I think it's a healthy attitude. The real response is negotiations, and negotiations will start on Wednesday in Cairo.

Q. As Israel's chief ally and friend, what is the United States advising Israel to do at this historic moment?

Secretary Vance: America, as Israel's historic friend, is counseling with Israel to find out what we can do to be most helpful in the direct negotiations which are going on face-to-face between Israel and Egypt.

Prime Minister Begin: May I pay tribute to the efforts made by the President of the United States and the Government of the United States throughout the years, and mainly during this year, to bring about these momentous developments. And let me also add, even the visit itself by President Sadat to Jerusalem was made possible by the help of the United States Government. So I would like to pay tribute to this effort.

Q. President Sadat said in an interview yesterday the Israeli position on the Palestinian question would have to change if peace is to be achieved in the Middle East. Have you worked out a new position on the Palestinian question, and is Mr. Vance carrying any message on this subject to the other Arab countries, or is he carrying any message from you to the other Arab countries?

Prime Minister Begin: There is a problem of the Palestinian Arabs. I said so in the presence of President Sadat in the 1977 session, and we will find a solution for this problem.



Jordanian King Hussein and Secretary Vance at the Royal Palace in Amman. Wide World Photo

Q. The second part of my question, is Mr. Vance carrying any message from you to the Arab countries on this question of—

Prime Minister Begin: Do you expect me to reply to you? [Laughter]

Q. You made a strong statement in support of Arab unity. Do you plan on this trip and in subsequent weeks to try to facilitate the Egyptians and the other Arabs coming together? Have you discussed this with Mr. Sadat to find some way of bringing the Arabs together?

Secretary Vance: I have discussed with President Sadat the questions of the divisions that exist within the Arab world. He, like all of us, would like to see those divisions healed and disappear. I will, in my talks with the other Arab leaders, urge them, as we have from the outset, to participate in the peace process. We have said this to them from the moment that the Cairo conference was proposed. They have indicated that they, too, seek the same end objective; namely, a comprehensive peace which will settle the questions of the Middle East. And, therefore, I will continue to pursue our positions with respect to this and discuss that matter with them.

Q. Do you think Arab unity helps the peace process, or some Israelis in the past have suggested a divided Arab world actually helps Israel?

Prime Minister Begin: I do not agree with the theory that a divided Arab world will help Israel. To the contrary, we believe that we should have peace on all the borders of Israel, sign peace treaties with all our four neighbors—Egypt, Jordan, Syria, and Lebanon. All the four neighbors should live in peace with Israel, and

Israel wants to live in peace with them. We do not drive wedges, we do not believe in that famous precept known in Latin: *Divide et impera*. We don't want to divide, and we don't want to rule. We want peace. This is what we believe in.

Q. At the Tripoli conference, the Palestinians took—according to President Sadat—a more extreme position that they would not participate in negotiations at all. Has this made you more optimistic that, as you look down the road in negotiations, the Palestinians have in fact taken themselves out of the picture?

Prime Minister Begin: Tripoli cannot make anybody optimistic. When I spoke about optimism, I meant the trend, the development, the hope to overcome the negation of the Tripolitarians, and of course, it is most negative phenomenon for the time being. What did they say in Tripoli? No recognition of the State of Israel, no negotiations with Israel, no peace with Israel. Actually, another pronouncement was made there that Israel should be destroyed. This is negative of course.

The Soviet Union is behind this negative attitude, which is very regrettable because the Soviet Union is great power and is a cochairman of the Geneva conference. But this happened, let me say, 2 weeks ago, and that does not decide the issue. March will march forward. War is inevitable; peace is inevitable. So we shall overcome with a common effort the hurdle, too, and Syria and Lebanon and Jordan will join in the peace effort, and ultimately we shall have peace throughout the region. This is our belief.

Q. You said that it is your understanding that the Cairo conference will discuss substance and procedures. The Palestinian issue involves both matters. In your talk in Egypt and here in Israel, have you heard any thoughts, ideas, or proposals which will indicate there is already movement toward bridging the gap—the very wide gap—between the Arab and the Israeli positions on the Palestinians?

Secretary Vance: Let me say that I believe that the Palestinian question will be among the issues which will be discussed in the Cairo conference.

Q. Do you agree with Prime Minister Begin that the Soviet Union is behind the most Arab extremist positions?

Secretary Vance: With reference to the Soviet Union, the Soviet Union is the cochairman of the Geneva conference.

ence. They have a serious responsibility, as we do, as cochairman. They have said that they intend to discharge that responsibility. I do not want to comment on their motives and, therefore, will not do so.

NEWS CONFERENCE, BEIRUT, DEC. 13⁴

I've just had a very good conversation with President Sarkis, with the Prime Minister, and with the Foreign Minister. We had a chance to discuss many issues relating to the Middle East problem and to the situation in Lebanon itself. On the basis of my conversation with President Sarkis, I am confident that Lebanon will be able to surmount its problems and resume its traditional role which it has played in the area.

We have noted the progress which has been made with respect to rebuilding the institutions within the country and particularly the progress that is being made with respect to the rebuilding of the army. We will continue to help in connection with this project and with other steps that may be helpful in the reconstruction of the country.

We wish to reaffirm our very strong support for President Sarkis in the efforts which he is making to achieve these goals for your country.

Q. Do you think that the Israeli Government is willing to give some concessions to the Arab countries?

A. I think that the Israelis are proceeding with seriousness; they are entering into discussions starting tomorrow and direct face-to-face talks with Egypt. They have stated that they are prepared to and wish to attend a Geneva conference at which there can be reached a comprehensive settlement. They have affirmed that their objective, as is the objective of the Arab states, is a comprehensive settlement of the Middle East problem, and I believe that there is hope that that objective can be obtained.

Q. Will Lebanon be going to a Geneva conference?

A. That is a judgment which Lebanon will have to take itself and, I think, will be made at the time that there would be a call for a Geneva conference.

Q. Can we know why the United States did not try to solve the problems of south Lebanon?

A. The problems in the south of Lebanon are very difficult problems. We have, throughout the months in which I have been involved with the

problems of the Middle East, tried to play, and I believe we have played, a helpful role in acting as an intermediary between the various parties that are involved in that very complex and difficult set of issues. And we will continue to play a constructive role.

Q. We know that there was a proposal to station U.N. forces on the borders of Lebanon. What happened to this proposal?

A. The last time I was here there was some general discussion with respect to the possibility of U.N. forces in the southern area. That question was discussed among the various parties. For various reasons a decision was taken by the parties not to proceed with that.

The principal action which needs to be taken at this point is to implement the third stage of the Chitaura agreement. I would hope that it might be possible that there could be agreement reached to put the third stage into effect, because that could have a very important and beneficial effect should that be done.⁵

Q. Are you hopeful after your last 2 days of talks in Jordan and in Lebanon that the circle of participants in the Cairo talks might be enlarged at some stage?

A. I have said that with respect to the Cairo talks that I did not believe that it was realistic to expect that there were going to be changes with respect to the participation in the Cairo meetings which start tomorrow. I still believe that that is the case. I am, however, encouraged by the fact that everyone that I have talked to says that an ultimate comprehensive settlement in Geneva is the objective of each of them. And if we can continue to work toward that, I think that the Cairo meetings can be very helpful in paving the way to that objective at the end of the road.

STATEMENT, RIYAH, DEC. 15⁶

Secretary Vance: The United States and Saudi Arabia are partners in the pursuit of peace and economic stability. There is a long history of friendship and close cooperation between our countries. President Carter and I are particularly grateful for the opportunity to be able to consult with and receive the wise advice of His Majesty King Khalid, His Highness Crown Prince Fahd, His Highness Prince Sa'ud, and their colleagues. I particularly have appreciated the opportunity again to meet with them during this all too short visit. I shall be

returning to the United States directly today and will be reporting to the President on my trip through the Middle East. We are committed to the search for a just, permanent, and comprehensive settlement in the Middle East, and we will remain diligent in our efforts to achieve that goal.

Q. Were you able to bridge the differences among the Arab countries you have visited?

Secretary Vance: The various countries which I have visited, of course, are all sovereign and independent nations. They must make their own determinations with respect to their future courses of action. I believe that all of them are committed to the achievement of a just and lasting peace in the Middle East, but each of them will have to speak for itself with respect to its course of action.

Q. In your recent trip to the area you have visited Jerusalem. Does that mean any change in the American attitude toward Jerusalem? Because it is known that the U.S. Government did not recognize Jerusalem as the capital of Israel.

Secretary Vance: The United States does not recognize Jerusalem as the capital of Israel. The fact that I visited Jerusalem in no way changes our position with respect to that issue.

Q. Could you give us an idea of the current view of the Saudi Government about the initiatives undertaken by President Sadat of Egypt, the Cairo conference, and his trip to Jerusalem?

Prince Sa'ud: If I may comment on these issues which you have stated, I think that Saudi Arabia believes that any judgement has to follow the results of any action undertaken. Until now the results from the action that has been undertaken is not present, and, therefore, we hold judgement on that until some result is viewed.

Q. Were you encouraged by Mr. Vance's report on his talks in Israel, and do you believe that there is additional flexibility in Israel from what you've heard from Mr. Vance?

Prince Sa'ud: I might say that I was cautiously optimistic after the discussions I've had with the Secretary. I would link, however, this optimism completely with the solidarity that could be achieved between the Arab countries in the pursuit of peace.

Q. During your traveling among the capitals of the area, what kind of result do you expect, and do you think that you are optimistic?

Secretary Vance: I, like His Royal Highness, am cautiously optimistic. The purpose of my trip was to see what the United States could do to support the momentum toward peace which has been created and, furthermore, to exchange views with the leaders in the area and to learn from them their views with respect to the ways in which the United States can contribute to the achievement of a just and lasting peace, and it was also to maintain the channels of communication with all of the countries in this area. I believe that the results of the trip achieved those purposes.

STATEMENT, ANDREWS AIR FORCE BASE, DEC. 15⁷

Vice President Mondale: On behalf of the President of the United States, we want to welcome our Secretary of State, Cyrus Vance, back home again and thank him for, what we have come to expect, an extraordinarily gifted job representing our country with skill and with dignity.

Secretary Vance: Thank you very much, Mr. Vice President.

Good evening, ladies and gentlemen. It has been a very good and useful trip. I will be going directly from here to the White House to report in detail to the President.

The President asked me to go to the Middle East to do three things: to discuss with the leaders of the area how we can help to maintain the momentum toward peace generated by President Sadat's visit to Israel and Israel's response to that initiative; to learn their views on the steps necessary to advance the peace negotiations; and to keep open the lines of communication with all of the governments that must be involved in a negotiated peace.

My talks began with President Sadat and Prime Minister Begin. I found both men ready to deal directly and promptly with the key issues. They are both committed to achieving peace, and both encourage us to remain in our active role.

President Sadat believes his trip to Israel demonstrated his sincere commitment to peace. He believes that the way has now been opened to the achievement of a just and lasting peace, that what has taken place has dramatically shown the possibilities that lie in a peaceful relationship between Israel and its neighbors.

Prime Minister Begin believes that President Sadat has taken a courageous step which Israel has welcomed warmly. He has said that he intends to

sustain the momentum toward peace. I expect this matter will be discussed when he meets with the President tomorrow.

President Sadat's visit to Israel has unquestionably had a deep impact on the people in both Egypt and Israel. I believe all of them, from senior government officials to the man and woman in the street, are convinced that an historic opportunity lies before them in the quest for a just and durable peace. In my talks with President Sadat and Prime Minister Begin, I stressed the United States' firm commitment to a comprehensive peace. I found both in complete agreement and ready to move forward on that basis.

In my meetings with the leaders of Jordan, Lebanon, Syria, and Saudi Arabia, I found intense interest in momentous events of recent weeks. Even where there is sharp disagreement over the course taken by President Sadat, I found a commitment to a comprehensive peace and a strong desire to maintain close contact with the United States. These leaders do not see the future of their countries in war. I hope that each will find ways to contribute to a peaceful settlement in the most appropriate manner for his country.

The opening of the Cairo conference coincided with the final leg of my trip, a trip which helped crystalize thinking on how to improve the prospect for positive results from this historic meeting. We regard the Cairo conference as a constructive and an important step forward. We have pledged to do

everything we can at Cairo to help the parties reach agreement. Once the proper agreements have been reached on general principles and on matters of procedure, we would expect the talks to shift to a broader framework.

In each of the countries that I visited, I affirmed the continued commitment of the United States to the search for peace. I made clear that we will give our fullest support to the efforts now underway and to those that will follow.

Despite the difficult decisions that must still be made and the hard negotiations ahead, we have before us a unique opportunity to achieve peace in the Middle East. It would be tragic to lose this opportunity. This view is shared by the people of the region. We must pray for the statesmanship and the vision that will gain for the people of the Middle East and for the world the peace that has so long been sought.

¹ Other press releases relating to Secretary Vance's trip are Nos. 553 of Dec. 9; 555, 557, and 558 of Dec. 12; 563, 564, 565, and 567 of Dec. 13; and 568 and 569 of Dec. 14.

² Text from press release 554 of Dec. 11, 1977.

³ Text from press release 559 of Dec. 11, 1977.

⁴ Text from press release 566 of Dec. 11, 1977.

⁵ The Chtaura agreement regulates the Palestinian presence in Lebanon. The United States is not a party to it.

⁶ Text from press release 574 of Dec. 11, 1977.

⁷ Text from press release 577 of Dec. 11, 1977.

Assistant Secretary Atherton Interviewed on the "Today" Show

Assistant Secretary for Near Eastern and South Asian Affairs Alfred L. Atherton, Jr., was interviewed on the "Today" Show on December 7, 1977, by Bob Abernathy, "Today" correspondent in Washington.

Q. Things have been moving so quickly lately in the Middle East—President Sadat's trip to Israel, the denunciation of that by many Arab countries and the Soviet Union, the coming meeting in Cairo. Any way to tell whose move it is now?

A. I think clearly that the focus now is on the conference in Cairo where President Sadat and Prime Minister

Begin have said that they want the delegations to try to do some preparatory work for the Geneva Middle East Peace Conference.

Q. A lot of people would say that after Mr. Sadat took all the chances that he did—going to Jerusalem—it's now the turn of the Israelis to do something equally significant. What do you think? Is it time for the Israelis to make some very significant gesture or concession in return?

A. I think both sides are going to have to be flexible to make concessions to try to accommodate their positions, the positions of the other in the Cairo talks. I would think, what's more, that

sides recognize this and are going to the Cairo conference with this frame of mind.

But each side equally, in your judgment? Or is it now the turn of the Israelis?

There is something that each side gets from the other. Egypt clearly gets Israeli commitments on the return of occupied territories and on some kind of a solution for the Palestinian problem. The Israelis want from the Arabs, and from Egypt in particular in this case, commitments to peace, normal relations. And I think there are a lot of accommodations in all of these areas on the part of both sides.

President Sadat told the New York Times yesterday that in the ongoing negotiations he would carry through to the end with Israel alone if necessary if the other Arab countries refuse to go along with his approach. Prime Minister Begin indicates he would do the same. Would the United States have any objection to a separate deal between Israel and Egypt by themselves?

I think it's premature really to talk about that. It's true that there has been a lot of speculation about separate settlements, but let's go back and look at what both the Egyptians and the Israelis are saying. They're saying that the purpose of the Cairo conference is to prepare for a Geneva conference to lay the basis for a comprehensive peace settlement on all fronts. Clearly, this is our preference. We think it would lead to a much stabler Middle East to have peace on all fronts.

But if you can't get that—

I wouldn't want to cross that bridge yet. I really think it's premature to even talk in those terms. Obviously you get to a point where some of the parties are not interested in a peace settlement—as the President said in his press conference last week—then you are to consider alternatives. But they were not there at this point.

The Cairo meeting between Egypt and Israel begins December 14. You'll be there representing the United States. I'm interested in exactly what you imagine you'll be asked upon to do. How do you see your country helping?

Let's first go back and understand what the Cairo conference is now. The Cairo conference has been called by the President of Egypt. Egypt is the host. Most of the principal parties to the Arab-Israeli conflict and to the Geneva conference are going to be there. The impression is that they are coming eager to begin to negotiate with

each other. And we do not see our role as a lead role in this conference but certainly as a supportive role. We are there as friends of both sides to help both sides in any way that they think we can help to make progress.

Q. Suppose in trying to put together the interests of both that you talked about before, suppose you are asked as the representative of the United States, are we prepared to help guarantee Israel's security? How do you answer that?

A. We've always said that we would be prepared to participate in any system of guarantees of a peace settlement. In that context, we have an open mind and would consider any system of guarantees that the parties themselves thought would give them a sense of security and would help make the agreement more viable.

Q. Involving U.S. troops?

A. We haven't come to that point, of course, in our considerations, but I believe that the Secretary of State said recently that we would not rule out the concept of a defense treaty if that were necessary to help make the peace settlements secure. But obviously it is something that would have to be done in accordance with our constitutional processes and consultation with Congress.

Q. Suppose you're asked exactly what the United States would do in the way of a homeland for the Palestine Arabs. Would we support not

just an entity or a homeland as President Carter has said, but would we also support the idea of a full-fledged independent state?

A. We have said that we would not prefer an independent Palestinian state, that we think a Palestinian homeland in some kind of association or linkage with Jordan would be a better solution. But in the final analysis this is a question that is going to have to be resolved in the negotiations by the parties to the conflict. And we have not taken a U.S. position on what the precise solution of the Palestinian question should be. We've set out a concept.

Q. What is the Soviet Union up to? Are they very critical of what Sadat has done? We've had the Under Secretary of State [for Political Affairs Philip C. Habib] in Moscow talking to them. What are they doing?

A. The Soviets are a cochairman of the Geneva conference, and we talk to them as the other cochairman. We have assumed that they have an interest in a Geneva conference ultimately and in a peace settlement. We have not found their recent comments helpful, their criticism of Sadat's move—which we think is an important breakthrough—their support for the position of the critics of Sadat—quite frankly, we have not found this helpful. And our own view is that they should play a responsible role, and we are going to wait and see if they do come to play a responsible role. □

Cairo Preparatory Meeting Opens

by Alfred L. Atherton, Jr.¹

It is an honor to represent the United States on this historic occasion.

I would like first to extend congratulations to the Governments of both Egypt and Israel whose commitment to peace has made it possible for this meeting to convene. It is a particular pleasure to be sitting at this table today with friends from Egypt and Israel and with Gen. Siilasvuo [of Finland], who is present to represent Secretary General Waldheim.

In sending me here, President Carter made it clear that the U.S. Government sees the convening of this meeting in Cairo as a constructive step on the road to peace. We are ready to do whatever we can to facilitate, support, and encourage the negotiations here to prepare the way for the Geneva Middle

East Peace Conference and the achievement of a comprehensive, just, and durable peace in the Middle East.

For nearly 30 years the Middle East conflict has reaped a terrible harvest of lives, resources, and energies of Arabs and Israelis alike. It is true that during this period there have been some steps forward: Security Council Resolutions 242 and 338, the convening of the Middle East Peace Conference in Geneva in 1973, and the conclusion of three limited agreements under the auspices of that conference, all testified to the increasing commitment by the parties to the search for a peaceful settlement.

Yet, in spite of this progress, the remaining psychological obstacles have imposed formidable barriers, as the attempt has been made this year to take the logical next step of opening negoti-

ations for a final peace settlement at Geneva.

The momentous events of recent weeks have fundamentally altered that situation and have provided new hope that the objective of an overall settlement embodied in peace treaties can, in fact, be achieved. With one bold stroke President Sadat has broken through the barrier and imparted new momentum toward peace. With farsightedness and statesmanship, Prime Minister Begin has responded in a manner that makes it clear that Israel, for its part, does not intend to allow this unique opportunity to be lost. These two strong and creative leaders have brought about a sea change in attitudes both in Israel and in the Arab countries, and today solutions—a month ago considered unattainable—have been suddenly brought within the realm of possibility.

Today few nations in the world would challenge the proposition that these developments have created a unique opportunity for successful negotiations leading to peace in the Middle East. The idea of peace has captured the imagination and ignited the hopes of a war-weary region. The government leaders who are charged with the responsibility, as well as the challenge, of negotiating can do so with the confidence that there is today an overwhelming public constituency in the region for peace.

All of us in this room would agree that we must not allow the momentum of these events to be lost. President Sadat has called this meeting to prepare for a reconvening of the Geneva conference, the objective of which remains the negotiation, among all the parties to the conflict, of a final peace settlement on the basis of Resolutions 242 and 338.

I must record my government's regret that others invited to this meeting have felt unable to accept the invitation to attend. Ultimately, I believe those absent will see that the process begun here is in their benefit. We are all agreed the door remains open for others to join at any time.

My government—indeed each of the governments represented here—has emphasized on numerous occasions that our objective is the negotiation of a comprehensive peace settlement. Central to my government's policy over the years is the concept that this peace can only be achieved through negotiations between the parties. Security Council Resolution 242 established the principles for those negotiations. Resolution 338, which made a convening of the conference in Geneva possible, established the process. We have

always held the view that wherever and whenever the parties can start talking with one another, it is in the spirit of that mandate.

We see the discussions getting underway today in Cairo as an integral and contributory step toward a reconvening of the Geneva conference and the negotiation of a comprehensive peace. We do not agree that these proceedings are contradictory to the Geneva conference. As President Carter said [November 30]: "The road toward peace has already led through Jerusalem, will now go to Cairo, and ultimately, we believe, to a comprehensive consultation at Geneva."

In calling for this preparatory meeting, President Sadat has indicated two basic objectives: Making progress toward resolving the substantive problems and overcoming the remaining unresolved procedural obstacles to a Geneva conference. We believe these are realistic and obtainable goals and that valuable work can be done here. We will do everything we can to help the two negotiating parties make progress. It is for them to define in the first instance the subject matter of these discussions, but we will remain available to offer counsel, suggestions, or any other assistance the parties may feel they need.

We are opening these talks at a unique moment. All of us here must not only hope we have reached a turning point in history but also must make our contribution to insure that it will indeed prove to be a lasting turning point. The leaders of our respective governments—and our peoples—are

expecting us to achieve solid results this meeting, and we should not fail them. As President Carter recently said [November 2]: "We may be facing now the best opportunity for a permanent Middle East peace settlement in our lifetime. We must not let it slip by."

In closing I hope you will permit me to indulge in a brief personal reflection. For many years I have labored, on behalf of my government and with countless colleagues—some of who have given their lives in the effort—help our Arab and Israeli friends find breakthrough to peace. I have shared, and, I think, have acquired some understanding of the agonies both sides experience as they face decisions fatal for the future of their peoples—an indeed, for the world. It is a great personal satisfaction to be part of the talks which hold out so much hope that the long-sought breakthrough has been achieved. The negotiation of deep rooted differences involving vital national interests is never a smooth easy task, and we can expect moments of discouragement. These must and can be overcome, however, if the governments we serve, and we personally keep before us the vision we all share today of a peaceful and prosperous Middle East. My government is fully dedicated to that vision.

¹ Remarks made at the opening session of preparatory meeting for the Geneva peace conference in Cairo on Dec. 14, 1977; Mr. Ather is Assistant Secretary for Near Eastern and South Asian Affairs (text from press release of Dec. 15).

Prime Minister Begin Visits U.S. December 14-19

White House Statements

December 16¹

The President was happy to have the opportunity to welcome Prime Minister Begin again to the United States.

The Prime Minister and the President met privately for an hour and subsequently others joined. The entire discussions lasted 2 hours. The President was able to hear firsthand from Prime Minister Begin his impressions and evaluations of the momentous events in the Middle East set in train by President Sadat's historic visit to

Jerusalem and his reception by the people, parliament, and Government of Israel.

All aspects of the current Middle East situation were discussed in the context of the search for a comprehensive peace.

Obviously, a particular focus was on the direct talks which have commenced between Egypt and Israel. The Prime Minister and the President discussed the most effective ways to continue the momentum and to turn to the broader goal of negotiating comprehensive peace.

In this respect, the Prime Minister and the President discussed under-

ing principles which could guide future negotiations. The Prime Minister outlined proposals concerning the future relations between Egypt and Israel and a process for resolving the issue of Palestinian Arabs.

The President thanked the Prime Minister for his thoughts in both of these areas and promised to give them serious consideration.

The President told Prime Minister Begin that the United States is convinced that the course of direct negotiations on which Prime Minister Begin and President Sadat have embarked offers a unique opportunity for peace. We, of course, recognize that these new circumstances the test of acceptability of the provisions of a negotiated settlement will lie in the judgments of those who will ultimately sign the peace treaties. The United States will continue to remain the closest possible consultation with both sides in the effort to help them find common ground.

The President and the Prime Minister will meet again tomorrow evening 7 p.m.

December 17²

The President and Prime Minister Begin and their advisers tonight continued the round of discussions begun yesterday morning. They explored further Prime Minister Begin's latest proposals for progress toward comprehensive peace in the Middle East and the next steps to be taken to advance the peace negotiations. The President expressed his appreciation for the Prime Minister's constructive approach and his conviction that Prime Minister Begin and President Sadat, together, are taking important steps down the road to a just and comprehensive peace.

President Carter welcomed the direct talks which will soon be held between Prime Minister Begin and President Sadat. President Carter told the Prime Minister that he believes the current discussions between Israel and Egypt, based on the good will and dedication to peace both have manifested, now more than ever hold out promise of real progress. The United States considers that the understanding and statesmanship which the Prime Minister is demonstrating make a notable contribution.

The President pledged the continuing cooperation of the United States in whatever ways the parties find useful. The President undertook to remain in close touch with Prime Minister Begin and President Sadat and

will look forward to learning of their further progress in the mutual search for a comprehensive peace. The President shares with them their dedication to fulfilling this historic opportunity to bring peace to a region too long burdened with misunderstanding and war. □

¹ Text from Weekly Compilation of Presidential Documents of Dec. 19, 1977.

² Read to news correspondents by Secretary Vance at the White House following the meeting. Text from Weekly Compilation of Presidential Documents of Dec. 26, 1977.

Middle East Peace Efforts

Department Statement¹

We are still in the process of receiving and accessing the reports on the meetings December 25 and 26 between Prime Minister Begin and President Sadat. U.S. Ambassador to Israel Samuel W. Lewis and U.S. Ambassador to Egypt Hermann F. Eilts did see Prime Minister Begin and President Sadat respectively earlier today.

It seems to us important at this point to maintain perspective on the meetings which have taken place. It has been our objective, working with the Middle Eastern parties, to establish a process of negotiation which could lead to a comprehensive peace. As 1977 ends, there are now direct negotiations dealing with the principles that would cover a comprehensive settlement and other substantive and procedural matters that would be parts of an overall settlement.

We are pleased that progress has been made at the recent meeting and that concrete steps have been agreed on for continuation of substantive discussions. We have always recognized that the beginning of negotiation, while a crucial step, would not by itself resolve all of the difficult problems. That is now the work which lies ahead.

We continue to support the objective of a comprehensive settlement. That is also the objective of Prime Minister Begin and President Sadat. Establishing a negotiating framework for a comprehensive settlement will be one of the important items on the agenda in the weeks ahead. □

¹Read to news correspondents on Dec. 27, 1977, by acting Department spokesman Tom Reston.

Chronology of Recent Events

- Dec. 1 Jordan accepts U.N. Secretary General Waldheim's proposal to hold preparatory talks at the U.N. Syria and Egypt also favorably receive the proposal.
- Dec. 2 Two-day conference begins in Tripoli, Libya, attended by Algeria, Iraq, Libya, Syria, South Yemen, and the Palestine Liberation Organization (including the "rejectionist" organizations led by the Popular Front for the Liberation of Palestine).
- Prime Minister Begin visits the United Kingdom (Dec. 2-7) for talks with government leaders.
- Dec. 4 Egypt calls home its ambassadors to Algeria, Iraq, South Yemen, Syria, and the U.S.S.R.
- Under Secretary for Political Affairs Philip C. Habib arrives in the U.S.S.R. to discuss recent events in the Middle East with Soviet officials (Dec. 5-6).
- Dec. 5 Tripoli conference concludes. Algeria, Libya, South Yemen, Syria, and the PLO sign a joint communique and form new Arab "front for resistance and confrontation" and "freeze" all political and diplomatic relations with Egypt. Iraq rejects communique and walks out of meeting.
- Egypt breaks diplomatic relations with Algeria, Iraq, Libya, South Yemen, and Syria.
- Secretary Vance announces a 6-day trip (Dec. 9-15) to Egypt, Israel, Jordan, Lebanon, Saudi Arabia, and possibly Syria (noon press briefing).
- Dec. 6 Diplomats of Algeria, Iraq, Libya, South Yemen, and Syria leave Egypt.
- Dec. 7 Egypt announces closing of cultural centers operated in Cairo by the U.S.S.R., East Germany, Hungary, and Czechoslovakia and closing of Soviet, East German, Czechoslovak, and Polish consulates in Alexandria; Soviet and Polish consulates in Port Said; and the Soviet consulate in Aswan. Consulates in Cairo remain open as well as Egypt's consulates in Soviet bloc countries.

King Hussein meets with President Asad of Syria in Damascus.

President Gaafar Muhammed Nimeiri of Sudan publicly supports President Sadat's visit to Israel.

Prime Minister Begin returns to Israel.

Dec. 8 King Hussein meets with President Sadat in Egypt.

President Asad visits Saudi Arabia on first stop of a 4-day trip to Arabian peninsula states.

Dec. 9 Secretary Vance arrives in Cairo for meetings with President Sadat and other government officials.

Dec. 10 Secretary Vance arrives in Israel for meetings with Prime Minister Begin and other government officials.

Dec. 12 Secretary Vance meets with King Hussein who states in a press conference that Jordan will not attend the Cairo conference but may join negotiations for an overall settlement at a later date.

Dec. 13 Israeli delegation arrives in Egypt.

Prime Minister Begin announces that he will arrive in New York on December 14 and meet with President Carter in Washington, D.C., on December 16.

Secretary Vance meets with President Sarkis and other government officials in Lebanon.

Secretary Vance meets with President Asad and other government officials in Syria. President Asad reaffirms his opposition to the Cairo meeting.

Dec. 14 First session of Cairo peace conference begins. The delegation heads are: Ahmed Esmat Abdel Meguid, Permanent Representative to the United Nations, of Egypt; Eliyahu Ben-Elissar, Director General of the Prime Minister's Office, of Israel; Alfred L. Atherton, Jr., Assistant Secretary for Near Eastern and South Asian Affairs, of the United States. The U.N. observer is Gen. Ensio Siilasvuo, Chief Coordinator for U.N. Peacekeeping Activities in the Middle East.

Secretary Vance meets with King Khalid and other government officials in Saudi Arabia.

Prime Minister Begin arrives in New York.

Dec. 15 Secretary Vance returns to the United States.

President Carter holds a news

conference largely concerned with the Middle East.

Dec. 16 Prime Minister Begin meets with President Carter to discuss Israeli peace proposals.

President Carter phones President Sadat.

Dec. 17 Prime Minister Begin meets again with President Carter.

Dec. 18 Prime Minister Begin announces that he will meet with President Sadat in Egypt late this week or early next week. Prime Minister Begin states that he came to Washington, D.C., to obtain "good will and understanding" toward his peace proposals and that is what he received from President Carter (interview on CBS "Face the Nation").

King Hussein flies to Saudi Arabia and plans to visit other Arab states to discuss Middle East peace developments.

Dec. 19 Prime Minister Begin announces that he will meet with President Sadat on December 25 in Ismailia, Egypt.

Prime Minister Begin ends his 5-day visit to the United States.

The PLO issues a statement rejecting Prime Minister Begin's peace proposals.

Dec. 20 Israeli Minister of Defense Ezer Weizman meets in Egypt with Egyptian President Sadat and Minister of War and War Production Mohamed Abdel Ghani el-Gamassi.

Dec. 21 Israeli Defense Minister Weizman meets again with President Sadat.

Dec. 22 Israeli Cabinet unanimously endorses Prime Minister Begin's peace proposals.

Dec. 24 Prime Minister Begin flies to Egypt for talks with President Sadat at Ismailia.

Mohamed Ibrahim Kamel is appointed Foreign Minister of Egypt.

Dec. 25 Prime Minister Begin meets

Dec. 26 with President Sadat. Prime Minister Begin and President Sadat end their 2-day meeting with a joint news conference in which they pledge to continue their efforts toward peace.

Military Committees and Political Committees are created. The Military Committees will be headed by Defense Ministers Ezer Weizman of Israel and Mohamed Abdel Ghani el-Gamassi of Egypt and will meet in Cairo. The Political Committees will be headed by Foreign Ministers Moshe Dayan of Israel and Mohamed Ibrahim Kamel of Egypt and will meet in Jerusalem.

Dec. 27 The Cairo conference goes in recess.

U.S. Ambassador to Egypt Herman F. Eilts meets with President Sadat in Egypt.

U.S. Ambassador to Israel Samuel W. Lewis meets with Prime Minister Begin in Israel.

Dec. 28 The Israeli Parliament votes to support Prime Minister Begin's peace proposals (60 for, against, and 40 abstentions). Prime Minister Begin makes public the text of the Israeli peace plan.

President Carter endorses "bold and courageous" moves by President Sadat and Prime Minister Begin toward a comprehensive peace in the Middle East and restates the American position on the Palestinian question (television interview).

Dec. 31 President Carter, on one stop of his six-nation trip, arrives in Iran for talks with the Shah of Iran and King Hussein of Jordan.

President Carter announces that after his visit to Saudi Arabia he will meet with President Sadat in Egypt on January 4 and then continue as scheduled to France.

UNITED NATIONS: U.S. Approaches and Initiatives

by Charles William Maynes¹

We meet today in an active and fascinating period for the United Nations. After years of neglect, or indifference, toward the United Nations, our government has shown new interest and

concern. In the last few months, the Administration has paid unprecedented attention to that organization. No other President has spent 2 full days at the United Nations. Secretary of State Vance went to New York and conducted bilateral discussions with sor-

foreign ministers. Secretary of Agriculture Bergland recently led our delegation to the conference of the Food and Agriculture Organization. Secretary of Transportation Adams presented a major set of proposals concerning hijacking to the general conference of the International Civil Aviation Organization. The President has asked the Secretaries of other domestic agencies to play an equally active role in the work of the United Nations.

Within the General Assembly and the Security Council, there has been a burst of activity on such issues as airline hijacking; a mandatory arms embargo on South Africa; proposals to solve the conflicts in Rhodesia, Namibia, and the Middle East; and machinery to extend the economic dialogue between the rich countries and the poor countries. In addition, there have been debates and significant solutions on human rights, disarmament, outer space, law of the sea, restructuring of the United Nations system, and even unidentified flying objects.

It's against this background that I would like to talk to you today about the role of the United Nations in the conduct of U.S. foreign policy and initiatives that this Administration has taken to strengthen that role.

We all know that America was the chief proponent of the United Nations 50 years ago. The foresight and realism that American statesmen displayed at the time were a source of great pride for our country. Indeed, it can be argued that the only new idea in international affairs in this century has been the creation of first the League of Nations and then the United Nations. Both were uniquely American in structure and inspiration. No wonder that Americans were proud the United Nations was in the United States.

What then happened? We all know at this view of the United Nations is stated. Americans in the last few years have not been proud of the United Nations. A few have even been disgusted with it. What caused the change?

I could offer many explanations, all plausible, but I would like to suggest just one: the foreign policy consequences of neglect. That factor, more than any other in my opinion, explains our difficulties in the United Nations. The easy excuse for America's problems in the United Nations has been the rise in Third World influence and the disadvantages to us of a policy of one nation, one vote in a world body. But the truth is that such an explanation is really just an excuse.

Why? Because there is no significant longrun conflict of interest between the United States and the developing countries on many issues before the United Nations. On the contrary—provided the United States adopts a policy that is both responsible and responsive—America finds, as we have learned in recent months, an unaccustomed degree of support in the Third World. But for the last 10 years—and this is a fact we must all understand—our U.N. policy has been less a policy than an afterthought.

One can say this without making judgments. During most of this period, we were at war; and whenever there is war, everything else is an afterthought and necessarily subordinate. My purpose in pointing out this obvious yet overlooked fact is not to persuade you to criticize earlier Administrations but to induce us all to remember the setting in which the substantial falling out between the United States and the United Nations took place. Our foreign policy priorities have now changed, and I think that is a key reason that we are making more progress in the United Nations now than we have in some time.

It is on the basis of this 10-year period of neglect, however, that we have to judge three of the most discussed appointments in the postwar years—that of Daniel Patrick Moynihan, that of William Scranton, and that of Andrew Young, Jr.—all major national figures, all men who, it was suggested, "could have had something better," all U.N. Ambassadors. At first blush, they have little in common. They have different styles, different foreign policy priorities, yet they all did share one central insight that virtually everyone else in this period had forgotten: that in addition to military power and trade balances, a nation must be concerned about the way others see it. And they all recognized in that connection that the United Nations was of vital concern to U.S. foreign policy. All three men recognized that it must be taken seriously and argued this point with their colleagues in Washington.

Coping With Change

Against what factors did these three Ambassadors have to work? It is sometimes helpful to understand where one has been so he can understand where he wants to go.

One ingredient in our policy of neglect, certainly, has been the turnover in American representation. In a period of 9 years, the United States had eight different Ambassadors at the

United Nations, in part reflecting the relative disinterest in the United Nations of our Presidents in that period.

Another special factor, certainly, was the issue of the Middle East, arising in countless forms, in countless forums, very much deterring progress in other fields. The injection of this bitter political issue into almost every U.N. arena has caused growing disillusionment about the United Nations in this country, particularly among the more politically attentive, and to a large extent it still does. In a very real sense, it may be said that the way the Middle East issue has been fought out in international forums is poisoning the entire international system and by definition the United Nations system. But that argues not for getting out of the U.N. system or for ignoring the Middle East issue but rather for getting on with the settlement of that question. The sooner it is resolved, the earlier we will be able to make significant strides in other areas.

Another highly significant turn of events has been the evolution of the Third World alliance. A striking phenomenon in recent years has been the growing power of key Third World countries—nations like Algeria, Brazil, Egypt, India, Iran, Mexico, Nigeria, Pakistan, Saudi Arabia, Tanzania, and Yugoslavia. Gifted with talented officials and their own views of global issues, they have acquired policy impact well beyond their own regions.

The coalition of less developed countries began to gain strength in the 1960's. This was inevitable. Not only were there more nations in the United Nations but there were also important shifts in the international balance of power. Thus, in 1950 the United States accounted for 60% of the industrial production of the world, 50% of its military spending, and 50% of its monetary reserves. By 1976 these figures were 30%, 25%, and 7%. Much of this new power gathered in the hands of our traditional allies in Western Europe and Japan. But the developing countries also gained. India and Brazil now rank as the 10th and 11th industrial powers in the world, and Iran and Saudi Arabia are major resource powers.

Yet even though the Third World coalition began to gain strength in the early 1960's, its power did not burst upon the world scene with full force until 1973-75. Several vital psychological factors provided the impetus: a new war in the Middle East, restored pride to the Arabs, the granting of overdue independence to the

Portuguese colonies, and the worldwide dislocations caused by just a few Third World nations through an embargo on oil.

These same years, 1973-1975, by some form of historical mischief, were also the years that marked the nadir of U.S. commitment and self-confidence. It was in these years that Saigon fell, Watergate began, and America temporarily lost its way.

One can scarcely imagine a worse environment for international accommodation and compromise. The Third World increased its demands. The United States dug in its heels. Confrontation rose to unprecedented heights. Politically oriented resolutions multiplied in specialized agencies. Highly charged issues were debated in the General Assembly. The paralyzing effects of the resolutions linking Zionism and racism astonished everyone—even those who originally sponsored them.

Many believe that what happened at the United Nations in this period was not so much a change in international circumstances but simply a case of Third World rhetoric outstripping reality. But I believe there is a more fundamental factor at work. In my opinion, it is without dispute that the role of the developing nations in the United Nations and in world affairs has increased dramatically. The Third World now represents 74% of the world's people. It has 58% of the world's armed forces. It is a veritable storehouse of the world's resources. As the number of global issues increases, the diplomatic leverage of the developing nations also grows.

Even so, I would be among the first to urge that we place matters in perspective. Collectively, the West continues to represent 60% of the world's gross national product. It provides 80% of the official development assistance and accounts for 85% of the total financial flow to developing nations and the multilateral agencies. Just as we must take into account their growing importance, they must take account of our continuing significance. What has this Administration done in the face of these developments?

Administration Policy

The Carter Administration's approach to the United Nations has been characterized by changes in three major areas.

The *style* has been changed primarily through the presence of Andy Young and his energetic efforts to cultivate leaders in the Third World and to broaden our comprehension of

shared interests. But there are other steps, including the President's decisions to give two major addresses here at the United Nations, to invite Secretary General Waldheim to Washington at a very early stage in his Administration, and to spend 2 full days here at the United Nations in October.

The *substance* of our relations with the United Nations has changed through our recognition that the United Nations is a vital ingredient in the conduct of the world's business and by our determination to make greater use of all of its machinery.

The *funding* aspect of our policy has shifted as we have tried to reverse 10 years of decline in American contributions to components of the U.N. system to the point where many of our voluntary contributions, percentage-wise, are now below our assessed contributions.

Our contribution to the U.N. Development Program, for example, was 38% of the total in 1965; it is less than 20% today. We have succeeded in stimulating many other governments to carry a larger share of the burden. We would still like to encourage more contributions from the Organization of Petroleum Exporting Countries and from a few developed nations, but basically it is now time for us to carry our fair share in order to solidify this common approach.

On many issues—such as the Middle East, southern Africa, and North-South relations—let us acknowledge, even as we use the United Nations, that the process is difficult. The United Nations cannot “solve” these issues. That is not to say, however, that United Nations involvement is irrelevant. Work at the United Nations can facilitate negotiations, clarify problems, hasten dialogue, and legitimize solutions. It shouldn't need repeating, but it is clear that all parties—both the great powers and the smaller nations—have much to gain from using the United Nations for these purposes. And if we all recognize our common interest in using the United Nations, it will function better.

The United Nations is particularly vital to most of the smaller nations. It is the collective source of much of their diplomatic influence, the basic outlet for their foreign relations initiatives. They want to be included in the councils of power, where they clearly have a right to be. The United Nations provides them the policy voice they seek.

The stronger powers also have a vital interest in the United Nations because they have the most to gain from a stable international order. The Mid-

dle East and southern Africa are flashpoints that could trigger major international conflicts. The North-South dialogue is not a matter of charity. The developing countries are the source of many of the raw materials needed by us. They provide over one-third of our trade, and the volume is growing both absolutely and in relation to our trade with Western Europe and Japan. This is not a zero-sum game. Indeed, the economy of the entire world is not likely to get moving again unless we cooperate to stimulate the economic development of the Third World.

That we are, in fact, economically and politically interdependent with these nations is a hard lesson for Americans to learn. Economically, we tend to think we are self-sufficient even though we all stood in the gasoline lines in 1973 after the Arab oil embargo, and we all suffered price increases on heat, light, and thousands of products in our society that depend on petroleum. Politically, we like to think we can act alone even though we face an array of global issues where the most skillful or determined national policy can be rendered ineffectual if others do not cooperate.

Preparing for the Future

The new attitude of the Carter Administration toward the United Nations on these issues—at least so far—proving to be productive. I believe a fair review of the last 10 months will confirm that.

We are working with the Africans on the settlement of issues in the southern part of their continent. While we have had disagreements, we believe we are developing a new and positive working relationship with a continent that includes one-third of the United Nations membership. Certainly a large part of the credit for this belongs to Andy Young, whose energetic and optimistic style of diplomacy is building a new basis for understanding between Americans and the Africans.

As we move forward on African issues, we are working with Israel and the Arabs in bringing more permanent peace to the Middle East. We are naturally moving toward a treaty with Panama and thereby resolving an issue that has been a sore point in our relations with the entire Third World for decades. On economic questions, difficulties remain but we hope both sides are learning to listen better and to be more open in their dialogue. Even having done all this, where are we headed?

In addition to pursuing the efforts mentioned, we remain concerned about elements of counterproductive politicking that continue to creep into U.N. efforts in all its forums. We need to be honest. Every nation has been guilty of the practice, ourselves included. I think it may be fairly said that both we and the Soviet Union were excessive in our introduction of cold war attitudes into virtually every aspect of our work in the past.

But an advantage of détente is that even the Soviets are trying harder to increase the number of bilateral relationships from which political considerations can be excluded. This has been healthy for the United Nations, as superpower confrontation often produced paralysis just as Arab-Israeli confrontation is doing today. We need to make every effort to keep the U.N. agencies focused on the substantive issues that are their chief responsibilities.

Budgetary concerns will also be on the agenda for the future. We need to make more efficient management of the U.N. system while at the same time seek to insure sufficient funds and the budgetary flexibility necessary to meet the unexpected problems that constantly arise in the U.N. context. Working with congressional concerns about the effectiveness of the United Nations will be part of our effort.

But there is one problem of overriding importance for the future, and that is to deal with the continuing inclination of many in this country to think that America can go it alone. We see this view in suggestions that we do not rely on international institutions or in the misguided belief that all other nations will automatically pay heed to us without our attempting to take their interests into account as well. We talk about interdependence but, like the weather, nobody does very much about it.

The fact is that in a growing number of areas, international relations are beyond the effective policy reach of the nation-state. All countries, including the superpowers, must rely to some extent on other nations for essential ingredients in their economies, living standards, or security. As an Aspen Institute study recently noted, "there is a complex interconnection between the issues of population, energy, resources, pollution, food, energy supply, economic growth, and development. A problem in one sphere aggravates problems in others. Population, for instance, affects all the other factors. So does availability or scarcity of energy."

On the personal level, as noted by

Steve Bailey of the American Council on Education, we live in "a world in which rebellion in Chile can cause an assassination in Vienna, in which Turkish poppies can produce muggings in Montreal, in which industrial effluents in Detroit can cause cancer in Windsor, Ontario, in which crimes on Hawaii Five-O can stimulate racism in Boston."

We all need to find new ways to cope with interdependence of this sort. The U.N. system is but one of the many devices in which people around the world are talking to each other, searching for common solutions. There are 149 nation-states, a hundred major transnational corporations, and dozens of nonprofit multinational organizations, and their representatives get together in some 800 intergovernmental conferences and more than 3,000 international association meetings every year.

The agenda of problems that faces us on a global scale is monumental. We should have no illusions that we can deal with these issues ourselves. One of my predecessors, Ambassador Harlan Cleveland, recently summarized the challenge in this way:

Somehow the community of nations—or at least of those most concerned—will need to create a food reserve, assure energy supplies, depress fertility rates, stabilize commodity markets, protect the global environment, manage the ocean and its deep seabed, control the modification of weather at human command, rewrite the rules of trade and investment, reform the monetary system, mediate disputes, reduce the cost of military statecraft, control conflict in a world of proliferating weapons,

keep the peace when it is threatened, and restore peace when it is broken.

Clearly the task is staggering. Global diplomacy is harder than dollar diplomacy. It takes more skill to succeed if, as is now the case, the United Nations no longer towers above others to the same degree from the standpoint of wealth, influence, and interest.

Times have changed. Others do have wealth. They do exercise influence. And they clearly have an interest in playing a larger role. It, therefore, takes new determination and special skills to practice effective diplomacy.

Certainly ignoring vital U.N. agencies which are dealing with these topics is not the way to make progress. The United Nations needs more attention, not less. Our support of the U.N. agencies must increase. We must work to strengthen them in their capacity to relate to these world problems.

We are not talking about world government but world governance. We are searching for ways to deal with international problems which nation-states, acting in traditional ways, can no longer solve.

I think we are making a good start in the United Nations in the Carter Administration. I want you to know that at all times we welcome your viewpoints and suggestions for new initiatives, for it is only with your help that we will be able to push this effort forward with the full momentum that it deserves. □

¹ Address before the American Association of University Women in New York on Dec. 3, 1977; Mr. Maynes is Assistant Secretary for International Organization Affairs.

International Civil Aviation Safety

STATEMENT BY MR. KENNEDY¹

My delegation joined in the consensus on the Chairman's resolution on this subject and raised no objection to the additions to the chairman's text because we believe it urgent that the international community express itself in clear terms on the unacceptability of violent interference with civil aviation. We wholeheartedly support the resolution's condemnation of violent interference. The fact that the scope of the condemnation covers all who might perpetrate such acts is a clear expression of the outrage of the international community at any such acts.

We furthermore believe the requests to the International Civil Aviation Organization (ICAO) and to states to take measures to prevent the occurrence of such acts will assist in avoiding the occurrence of these despicable incidents.

We believe it is in the interest of the entire world community to take effective collective action against hijacking and other unlawful acts which interfere with civil aviation. We are consequently gratified that the resolution has been adopted by consensus. Of course, the actions of members of this Organization in implementing the resolution will be more important than

the words we have all approved. States should take joint and separate action—including ratifying the existing Tokyo, Hague, and Montreal conventions—and work with ICAO to develop better security procedures and standards.

We would also wish to thank Mr. Assad Kotaite, President of the Council of ICAO, and Capt. Derry F. Pearce, President of the International Federation of Airline Pilots Associations, for their lucid and persuasive statements which so accurately described the nature and magnitude of the problem.

In sum, the United States believes that all members of the world community must act, individually and collectively, to combat the threat of hijacking and other illegal acts involving civil aviation.

Finally, one delegation saw fit to raise a question with regard to a certain individual presently in the United States. The individual is not being sheltered. After it was found he was ineligible for a U.S. visa because of the act he had committed, he entered the United States illegally under false papers; proceedings are underway to deport him in accordance with U.S. law. We believe that no cause justifies the hijacking of planes. Much as we sympathize with those who flee repression to seek freedom, we do not condone hijacking or terrorist acts as a means to this end. We are committed to the extradition or prosecution system contained in The Hague, Montreal, and protection of diplomats conventions.

STATEMENT BY CONGRESSMAN WOLFF²

My government holds the view, as it has for many years, that the entire world community, without exception, has an immediate and direct interest in taking effective collective action against hijacking and other unlawful acts which interfere with civil aviation.

It is appropriate, and most timely, that the United Nations has given serious attention to this issue which cuts across all frontiers and threatens the lives of citizens of every country, irrespective of its political structure or orientation.

To what extent does the resolution which we have adopted advance the international struggle against hijacking?

• First, I would stress that my government welcomes the resolution's

clear and unequivocal denunciation of hijacking. The strong international consensus expressed in this resolution condemning such lawless actions will have an important deterrent effect upon those who would resort to this particularly abhorrent form of violence against the innocent and the defenseless and also upon those who would support such actions. In addition, our action here should serve as further encouragement to states to take the sort of vigorous action against hijacking which, unfortunately, has been lacking in some cases.

• Second, the resolution makes it clear that member states and the ICAO should move promptly to implement more effectively the security standards, practices, and procedures for airports which have been established through ICAO's security annex [17].

• Third, the resolution calls upon all states which have not yet adhered to the three existing ICAO conventions against hijacking promptly to adhere to and ratify those conventions. There can be no reason for delay on this matter. The mutual advantages from this form of cooperation are increasingly evident.

• Finally, the resolution recognizes that the members of this Organization, working within the framework of ICAO, should give the highest priority to the development of additional measures to enhance the security of civil aviation.

My government is pleased with the resolution which we have adopted. To be sure, it contains some phraseology which we believe unnecessary and irrelevant. Nevertheless, on balance, this resolution represents a major step forward in the collective fight against hijacking, because it embodies a unanimous and categorical determination by the international community to take further steps to prevent the use of terror, for whatever purpose, against those involved in international civil aviation. My government concludes that the resolution represents an undertaking that no state will cooperate with hijackers.

One might ask whether the sorts of actions which this resolution envisages will really have much impact on hijacking. In our view, the answer to any such questions can only be an emphatic yes. I would cite in this connection the experience of the United States in its successful effort against hijacking domestically. In 1969, prior to the establishment of security measures designed to prevent incidents of this type, there were 40 attempts to hijack U.S. civilian aircraft, 33 of

which were successful. In 1973, the first full year after stringent security procedures were made mandatory at all U.S. airports, the number of such incidents fell to two. In 1976 as well there were only two incidents. The figures speak for themselves.

Looking at the current situation on a worldwide basis, we find that the number of hijacking incidents is once again on the rise and that lax security procedures at airports have been responsible for most of them. The figures are striking. Of the 28 airline hijackings thus far this year—as compared to 16 during all of 1976—11 can be attributed to failures in passenger screening procedures. Since 1973 there have been no hijackings in the United States which resulted from a failure to detect guns and other weapons during the screening process. I might point out that the United States has been and continues to be willing to share its experience in this area with other interested countries. For instance, the United States has offered to share its screening procedures, equipment, and testing measures with other countries, and thus far 36 countries have taken advantage of this offer.

In calling upon the competent specialized U.N. agency, ICAO, to develop additional measures to increase international civil aviation security, the resolution we have adopted clarifies the way for new initiatives in that respected and impartial Organization. Among the steps which we believe ICAO should take are the following:

(1) Strengthening of the current ICAO standard on passenger screening to require specifically the screening of all passengers and all carry-on baggage for all airline flights, both foreign and domestic;

(2) Elevation of certain ICAO recommended practices dealing with security to the status of standards, including: (a) provision of law enforcement support for aviation security; (b) provision of security for airports under hijacking or sabotage threat;

(3) Continuing emphasis by ICAO on universal adherence to and ratification of The Hague (hijacking) and Montreal (sabotage) conventions. Such action would effectively eliminate havens for aviation criminals.

In adopting this resolution, the United Nations has taken a major step forward. Nevertheless, we have a great deal of work before us. It would be a service to the interests of every member of this Organization if the opportunity to strengthen the safety of

international civil aviation is not transformed into practical terms, using the existing international and bilateral network available for this purpose. My government stands ready to support the spirit and the letter of this resolution. We look to others to join in achieving, for the benefit of all international travelers on civil aircraft, a greater measure of security against terrorist hijackings.

RESOLUTION 32/8³

Security of international civil aviation

General Assembly,

recognizing that the orderly functioning of international civil air travel under conditions guaranteeing the safety of its operations is in the interest of all peoples and promotes and preserves friendly relations among States,

calling its resolution 2645 (XXV) of 25 November 1970, in which it recognized that acts of aerial hijacking or other wrongful interference with civil air travel jeopardize the lives and safety of passengers and crew and constitute a violation of their human rights,

calling also its resolution 2551 (XXIV) of 2 December 1969 as well as Security Council resolution 286 (1970) of 9 September 1970 and the Council's decision of 20 June 1972,

Reiterates and reaffirms its condemnation of acts of aerial hijacking or other interference with civil air travel through the threat or use of force, and all acts of violence which may be directed against passengers, crew and aircraft, whether committed by individuals or States;

Calls upon all States to take all necessary steps, taking into account the relevant recommendations of the United Nations and the International Civil Aviation Organization, to prevent acts of the nature referred to in paragraph 1 above, including the improvement of security arrangements at airports or by airlines as well as the exchange of relevant information, and to intend to take joint and separate action, subject to respect for the purposes and principles of the Charter of the United Nations and for the relevant United Nations declarations, covenants and resolutions and without prejudice to the sovereignty or territorial integrity of any State, in co-operation with the United Nations and the International Civil Aviation Organization, to ensure that passengers, crew and aircraft engaged in civil aviation are not used as a means of extorting advantage of any kind;

Appeals to all States which have not yet become parties to the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970, and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, to give urgent consideration to ratifying or acceding to those conventions;

4. Calls upon the International Civil Aviation Organization to undertake urgently further efforts with a view to ensuring the security of air travel and preventing the recurrence of acts of the nature referred to in paragraph 1 above, including the reinforcement of annex 17 to the Convention on International Civil Aviation, signed at Chicago on 7 December 1944;

5. Appeals to all Governments to make serious studies of the abnormal situation related to hijacking. □

¹ Made in the Special Political Committee of the U.N. General Assembly on Nov. 2, 1977; John Clifford Kennedy is a U.S. Representative to the 32d General Assembly (text from USUN press release 95 of Nov. 2).

² Made in plenary session of the U.N. General Assembly on Nov. 3, 1977; Congressman Lester L. Wolff (of New York) is a U.S. Representative to the 32d General Assembly (text from USUN press release 98 of Nov. 3).

³ Adopted by the General Assembly by consensus on Nov. 3, 1977.

Operational Activities

by Charles W. Whalen¹

The several distinct operational programs under review account for a major part of the budget and the field activities of the entire U.N. system. Through cooperating governments, they strive to reach out to the ordinary people of our globe in very practical terms. My government is gratified to be able to play an active part in the implementation of these programs.

Along with the growing pains, we have seen substantial progress—qualitatively and quantitatively—during the relatively few years since this unprecedented and highly constructive development effort was begun. U.N. operational activities have become an important element in the realm of international economic cooperation, a fact made clear by the informative statements presented by the distinguished gentlemen who head the programs under review. My delegation would like to thank them for their significant contributions in this regard.

We naturally would like to see the U.N. development system make even more progress in expanding and improving its field programs. With that end in mind, it might be helpful to summarize my government's policy toward the U.N. development system and how we believe we can best participate in it.

• First, we seek strengthened cooperative efforts that are devised clearly and specifically to meet the basic needs of the world's poor majority, wherever they are found. We also place high priority on enhancing the role of women in development.

• Second, we seek improved performance and efficiency in U.N. development efforts.

• Third, if the United Nations can make substantial progress in achieving these objectives, we are prepared to consider greater support for such programs over longer periods of time.

I would like to comment selectively on the numerous matters before our Committee.

At the conclusion of this month's Pledging Conference, the U.N. Development Program's (UNDP) very able Administrator, Bradford Morse, noted that the Program is now back on a stable financial footing. My government, of course, is pleased at this positive turn of events. We look forward to seeing UNDP build on the improved situation by strengthening its essential role as the U.N. development system's central funding and coordinating body. This is key to assuring the coherence, efficiency, and effectiveness of the overall system and, as such, is strongly in the interest of all concerned governments and U.N. agencies. The UNDP Governing Council, at its June 1977 session, appropriately recognized and endorsed this position in its careful review and approval of the resolution dealing with the role and activities of the UNDP. We believe that the joint planning and other common efforts the UNDP is organizing with the cooperation of its agency partners are additional steps in the right direction.

While welcoming UNDP's return to fiscal good health, we nevertheless remain concerned regarding the continuing lack of progress in dealing with certain longstanding problems. Among these are:

• First, the need to arrive at more equitable cost-sharing on the part of all member states financially able to support the program either through general

voluntary contributions or by defraying local program costs;

- Second, the need for voluntary contributions to be made in readily usable currencies, in accord with the UNDP's financial rules and regulations and in line with the clear logic of the Program's requirements. We continue to believe that arrangements must be made to use the \$35 million in nonconvertible, nonusable funds now on hand at UNDP for their original purposes but on a nonpreferential basis; and

- Third, the need to reduce arrearages, which total about \$30 million at present.

Progress on these fronts will strengthen UNDP's financial base, permit the Program to respond more effectively to the needs of the developing countries, and increase its general attractiveness and support among member governments.

Other important steps which, in our view, would enhance UNDP's position include limiting the amount of technical assistance financed by the assessed budgets of the agencies, adding to the protection of UNDP against a recurrence of the recent grave financial difficulties by building a strengthened reserve for emergency purposes, and expanding UNDP's role in joint operations involving both multilateral and bilateral funds, as in the case of the Sahel program.

Our concluding note on UNDP is to recall that we announced at the recent Pledging Conference an increase for 1978 of 15% over our 1977 contribution of \$100 million. Also at that Conference, we were pleased to announce our initial pledge—\$2 million—to the U.N. Capital Development Fund as well as \$1 million to the U.N. Revolving Fund for Natural Resources Exploration. These pledges, along with our continuing support of the U.N. Volunteers Program which we consider an appropriate mechanism for meeting basic needs, demonstrate our interest in encouraging new U.N. initiatives of technical cooperation with the developing countries.²

Let me next touch upon the United Nations Children's Fund (UNICEF), its operations, and the 1977 executive board meeting and report. In our view, UNICEF continues to perform its vital functions in an exemplary manner under the able leadership of its Executive Director, Henry Labouisse. The 25% increase this year in our contribution to UNICEF reflects our confidence in this organization's capacity to utilize effectively significant resource increases.

The International Year of the Child

(IYC) will place new responsibilities not only on UNICEF but also on the other elements of the U.N. system. Full cooperation from all concerned U.N. bodies is essential if we are to seize upon the Year as an opportunity to highlight and assess the needs of children and to strengthen programs to meet them. We are confident that such cooperation will be forthcoming.

In terms of national activities, the U.S. Government has formed an International Year of the Child interagency committee to coordinate official U.S. participation in the Year. All departments and agencies of government with an interest in children are represented on the committee. We look forward to a fruitful, cooperative relationship and exchange of views with the recently appointed U.N. Special Representative for the Year, Dr. Estefania Aldab-Lim [of the Philippines], and the IYC Secretariat. As you know, we recently pledged \$250,000 for 1977 for worldwide IYC activities.

The United States participated actively at the 1977 UNICEF board meeting. We considered it a most useful dialogue between board members and the UNICEF Secretariat on a wide range of subjects. One decision taken at the board session was agreement that the Secretariat would prepare, for the next session, a comprehensive overview statement of UNICEF assistance policies and priorities, a review of the functional categories of UNICEF assistance, and indications of future trends. We look forward with interest to that statement, as well as the other studies agreed upon at the 1977 session.

Permit me now to turn to U.N. Fund for Population Activities (UNFPA), which my country has been glad to support since its inception. One clear measure of UNFPA's utility to developing countries is that, as reported by the Fund's most distinguished Executive Director, Rafael Salas, it is facing a gap between the cost of specific projects ready for implementation and the level of financial resources available to it. Accordingly, it is in-

cumbent upon member states to consider increasing substantially the pledges to the Fund. This situation underlines the need for U.N. agencies cooperating with the Fund to reduce their charges to it for overhead and infrastructural support.

My government, which regularly has provided its proportional share of the Fund's resources, has just announced a special \$4 million contribution to help it meet outstanding assistance requests. Along with the Fund's impressive record, we nevertheless see several areas in need of further improvement. These include developing basic country programs and, through them, intercountry programs; focusing on core programs; establishing priorities for future allocation of resources; and increasing the share of country programs and decreasing that of regional or global programs.

The United Nations itself is the second largest UNDP executing agency. We commend the United Nations for its operational activities, especially for its focus on the least developed countries and its promotion of integration of women in development. However, we must stress our view that no regular U.N. funds should be budgeted for these operations. Instead, they should be financed by UNDP, the U.N. Fund for Drug Abuse Control, and the U.N. Trust Fund for Southern Africa.

Finally I would like to emphasize our government's support of the World Food Program. Previously we have expressed our reservations regarding the established Program target of \$950 million for 1979-80. Despite this, we intend to increase the level of our contribution to \$220 million for the period.

¹ Statement made in Committee II (Economic and Financial) of the U.N. General Assembly on Nov. 15, 1977; Congressman Whalen (Ohio) is the U.S. Representative in that Committee (text from USUN press release 115, Nov. 15).

² For text of the statement made at the Pledging Conference on Nov. 2, 1977, see BULLETIN of Dec. 12, p. 872.

Outer Space Programs

by Marjorie Craig Benton¹

The year 1977 was one of significant accomplishments in the exploration of outer space and productive work by the U.N. Committee on the Peaceful

Uses of Outer Space. The United States has regularly reported major developments in our national and international space programs to the Outer Space Committee and its subcommittees, and I would like to draw the attention of

General Assembly to some of the highlights of our ongoing and planned programs.

We are pleased to report that the Transportation System, including the reusable National Aeronautics and Space Administration's (NASA) shuttle orbiter and the Spacelab developed by the European Space Agency (ESA), is progressing satisfactorily. The first shuttle orbiter successfully completed its approach and landings in October.

In mid-year 1979, an engineering model of Spacelab, consisting of two laboratory modules and two experimental pallets, should arrive from Europe. The first flight unit is scheduled to arrive in Florida by the end of September 1979. The shuttle orbiter itself will become operational by mid-1980. An early operational flight will launch the first Spacelab in a joint NASA/ESA mission in December 1980. Experimenters from 16 nations have been selected to fly their experiments as contributions to the first Spacelab payload.

In the applications area, I would like to summarize briefly our experimental remote sensing activities. Data obtained by NASA's Landsat satellites have supported research projects sponsored by agencies in some 50 countries and international organizations. In addition, users from about 100 countries have purchased Landsat data from the Earth Resource Observation Systems Research Center at Sioux Falls, South Dakota.

Landsat ground stations now operate in Canada, Brazil, and Italy receiving data directly from U.S. satellites. An additional station is under construction in Argentina and others are planned in Chile, and Sweden. We expect that Japan, Australia, India, and others may be joining the Landsat ground station system in the near future.

Since the Landsat satellites now in orbit are nearing the end of their operational lifetimes, NASA plans to launch a third Landsat satellite—Landsat 3—in February 1978. Funding has been approved for a fourth Landsat satellite in the early 1980's. These new satellites should assure continuous availability of remote sensing data.

The first remote sensing satellite dedicated to oceanographic studies—SeaWiFS—is scheduled to be launched by NASA in May 1978. Seasat will gather data on changes in ocean topography due to tides, currents, gravity variations, etc.; the extent and movement of sea ice; ocean dynamics; and other.

Our applications program also in-

cludes ongoing experiments using communications satellites. The Applications Technology Satellite series continues to demonstrate new and different kinds of communications services. These include TV broadcasting to small receivers and mobile communications to ships, aircraft vehicles, and hand-held equipment. Experiments are also being conducted in the communications area in a joint project with Canada using the Communications Technology Satellite (CTS).

We are making good progress toward the test and demonstration of a search-and-rescue satellite system for the location and assistance of distressed aircraft and ships. The project has been planned with Canada, and the Soviet Union has agreed to participate. A proposal has also been received from France to join in this project. Wide international use of such a search-and-rescue system could be anticipated after the initial experimental phase.

We are especially pleased to report three important new international cooperative space agreements which were reached in recent weeks.

Officials in the Federal Republic of Germany have entered into an agreement with NASA to take an important part in a Jupiter orbiter probe mission, scheduled for early 1982. This mission is designed to conduct the most detailed scientific investigation yet of Jupiter—its environment and moons—including the first direct measurements of the planet's atmosphere.

Moreover, NASA and the Netherlands Agency for Aerospace Programs have entered into an agreement for a cooperative infrared astronomical satellite project. The United Kingdom also will participate in this program. Scheduled for launch in 1981, this mission will conduct the first astronomical survey of the entire sky at infrared wavelengths undetectable by Earth-based telescopes because of the obscuring effects of the atmosphere.

Finally, the European Space Agency has signed an agreement with NASA for substantial contributions to and participation in an extended space telescope program. In 1983 a 2.4-meter space telescope will be carried into Earth's orbit by NASA's space shuttle and will be used to study the universe with much higher resolution than has ever been possible before. With the new space telescope, astronomers should be able to observe some 350 times more volume of space than can be seen now with the largest ground-based telescope.

During 1977, the Viking mission to Mars entered a phase that will permit scientific observations through an en-

tire Martian year of 25 months, thereby observing important seasonal changes. Viking 1 orbiter cameras took detailed pictures of Mars' tiny moon Phobos from a distance of 48 km.

A high-energy astrophysics research program began in 1977 with the launch of an observatory—the High Energy Astronomical Observatory 1—to perform a detailed X-ray survey of the celestial sphere. This is the first of a series of three planned spacecraft to do high-energy studies.

NASA also launched two Voyager spacecraft this past summer for an extensive survey of the outer planets. Over a 10-year period they may visit as many as 15 major celestial bodies, including Jupiter, Saturn, several moons of both planets, and possibly Uranus. The great distances across which radio signals between Earth and Voyagers must travel and the long lifetime of the mission require that the spacecraft be able to care for themselves and perform long, detailed, and complex scientific surveys without continual commanding from the ground.

The international Sun-Earth Explorers—a so-called mother-daughter double spacecraft on a single rocket—were launched in October in a cooperative program between NASA and the European Space Agency. The project's objective is to gain a better understanding of how the Sun interacts with the Earth's near-space environment. Circling Earth for 3 years or more, the instrument-laden spacecraft are expected to provide detailed data on how solar wind particles behave in the boundaries between Earth space and interplanetary space.

We wish to commend and endorse the work of the Outer Space Committee [U.N. doc. A/32/20] and work of the Scientific and Technical and the Legal Subcommittees as reflected in their respective reports. The subcommittees have done particularly valuable work this year in carrying out their mandates from the parent committee and from the General Assembly. I do not intend to discuss here all of the issues covered in these reports, as our views are on record in the debates which led to their adoption. However, we would like to make a few remarks in regard to the principal topics discussed.

The Legal Subcommittee has continued consideration of several complex and difficult issues. Negotiation of a draft treaty dealing with the Moon and other celestial bodies has continued in earnest. An important question in that regard concerns the exploration and exploitation of the natural resources of such bodies. We believe that efforts toward resolving this question

should be continued in 1978.

The elaboration of principles guiding the direct broadcast of television by satellite has evoked considerable interest. In this connection, I would like to note that while we share in general a positive evaluation of the work on direct television broadcast satellites that is underway in the Legal Subcommittee, we think it would be wrong to underestimate the difficulties which must be resolved in order to reach agreement on a mutually acceptable and comprehensive set of guidelines for this new technology.

It is well known that many states wish to include in the guidelines a principle that would require prior consent before broadcasting begins. Others have joined with the United States in opposing any such requirement as incompatible with the fundamental concept of free and unfettered exchange of information and ideas between countries, peoples, and individuals. Still others have proposed formulations of a possible principle that would seek to bridge the gap between these positions. The gap is wide and it will require the earnest efforts of all members of the Outer Space Committee to overcome it. The process of exploring and understanding the complex matters involved in this subject should be continued in the Legal Subcommittee.

Remote sensing of the natural environment of the Earth from space is proving to be one of the most beneficial practical applications of space technology. In addition to its usefulness in the location and management of natural resources, cartographic applications, and land-use planning, remote sensing holds promise in the fields of environmental monitoring and in disaster prediction and research.

The United States has been exploring a full range of these applications and is particularly pleased to note the increasing interest of many countries in deriving benefits from this technology. We look forward to a productive discussion in the Outer Space Committee of the application of remote sensing to the detection and monitoring of pollution.

The era of space-based remote sensing of the Earth's natural environment began in 1972 with the launch of the first of the U.S. Landsat satellites. As I have noted earlier, more than 5 years' success has been realized in this experimental program involving two satellites now in orbit, a third to be launched early next year, and a fourth presently being engineered.

In view of the benefits already derived from Landsat and the great interest in the subject on the part of the international community, some form of

operational remote sensing undoubtedly will be established in the future. It will be very important for the Outer Space Committee to continue its detailed consideration of technical and organizational aspects of remote sensing to encourage obtaining the greatest possible benefits from this technology. The Legal Subcommittee should continue its development of draft principles guiding remote sensing activities with due account of the wide range of potential configurations involving governments and nongovernmental entities.

A number of countries have expressed an interest in holding a U.N. conference on outer space matters oriented toward development needs. The United States is particularly aware of the value of science and technology to development and strongly supports the planned 1979 U.N. Conference on Science and Technology for Development. Countries will have an opportunity in that conference to focus on the aspects of science and technology they

feel are most important for their development. Thus, the conference should provide countries an opportunity to consider all areas of science technology according to their own needs in competition for scarce financial resources. A special U.N. space conference could be designed on the basis of needs shown by the 1979 conference.

Before closing I would like to express our appreciation to Dr. Perek his associates in the Outer Space Affairs Division of the U.N. Secretariat. We all know that their continuous efforts behind the scenes are indispensable to the successful work of the Outer Space Committee and its subcommittees. We look forward to our continuing productive association with them and with these committees in the future.

¹ Statement made in Committee I (Political and Security) of the U.N. General Assembly, Nov. 22; Ms. Benton is the U.S. Alternate Representative in that Committee (text USUN press release 120 of Nov. 22).

WESTERN HEMISPHERE: *Jamaican Prime Minister Visits United States*

White House Statement¹

Prime Minister Manley of Jamaica and President Carter met today for an hour and 15 minutes in the Cabinet Room and then proceeded to a working luncheon for an hour and a half. They discussed a wide range of subjects of mutual interest. Mr. Manley was invited to have lunch at the White House by Mrs. Carter during her visit to Kingston in May of this year, and the December 16 date was selected as the time most convenient to both the President and Prime Minister Manley.

The Prime Minister and President Carter discussed multilateral and bilateral issues during their meeting and luncheon. Jamaica, as chairman of the Group of 77,² plays an important role as spokesman for many developing countries. The Prime Minister and the President reviewed the general state of the North-South dialogue, as well as several individual issues of importance including the assistance needs of developing countries and the negotiations on a common fund.

The two leaders also discussed certain bilateral issues, including our efforts to assist Jamaica resolve its eco-

nomie difficulties and Jamaica's contribution to a broader hemisphere commitment to human rights. Several important regional issues were discussed, including the question of Belize. Prime Minister Manley received a conference of seven Latin American and Caribbean leaders to discuss the future status of Belize, and Prime Minister related some of the conclusions of that conference to the President, and they explored in general terms ways to insure a peaceful and durable settlement to that problem. The two leaders also discussed the Panama Canal treaties and regional cooperation in the Caribbean.

The meeting was extremely cordial. Attending on the Jamaican side were Prime Minister Manley, Mrs. Manley, P. J. Patterson, Minister of Foreign Affairs, Foreign Trade and Tourism; Alfred Rattray, Jamaican Ambassador; Richard Fletcher, Minister of State; Ministry of Finance; Keith Rowland, Member of Parliament; Owen Jefferson, Director, Program Division; Ministry of Finance and Planning; Gordon Wells, Permanent Secretary, Office of the Prime Minister; E. Frank Francis, Permanent Secretary, Ministry

Foreign Affairs, Foreign Trade and Tourism; and Herbert Walker, Permanent Representative to the Jamaican Mission to the Specialized Agencies of the United Nations at Geneva. Attending on the U.S. side were President Carter; Vice President Mondale; Secretary of State Cyrus Vance; Zbigniew Brzezinski, Assistant to the President for National Security Affairs; and Aaron, Deputy Assistant to the President for National Security Affairs; Anne A. Todman, Assistant Secretary of State for Inter-American Affairs; Frederick Irving, American Ambassador to Jamaica; and Robert Pasig, National Security Council staff

member. The following U.S. officials also attended the luncheon: Anthony M. Solomon, Under Secretary of the Treasury for Monetary Affairs; and Guy Erb, National Security Council staff member. □

¹ Prime Minister Manley visited Washington December 14-19, 1977. Text of statement dated Dec. 16 from Weekly Compilation of Presidential Documents of Dec. 19.

² The Group of 77 is a caucus of developing countries formed in 1964 at the first U.N. Conference on Trade and Development to present a unified bargaining position in their negotiations with industrialized countries. It is now composed of 115 developing countries.

TREATIES: U.S., U.K. Aviation Agreement

Julius L. Katz¹

I am pleased to appear before you today to discuss the vital question of international aviation policy in light of the recently concluded U.S.-U.K. Air Services Agreement. I understand that the committee wishes to focus on this agreement in these hearings and to address other aviation policy questions at further hearings to be held at a later date.

It is important to consider the specifics of that agreement because its provisions govern one of the largest single international air transportation markets that affect many parties of interest, including airlines, travelers and shippers, communities, and our workers. It is important, however, to view the agreement in an historical and overall policy context.

It has been asserted by some that traditional U.S. aviation policy has been to negotiate more for the benefit of our airlines than for the consuming public in such areas as expanding the number of U.S. cities receiving international service and assuring the lowest possible cost to travelers and shippers. The new U.S.-U.K. agreement has been held out by some as an example of this policy.

Whether the agreement is good or bad, or somewhere in between, is a question of judgment and of assessment of what the alternatives were. But it is certainly wrong to charge that U.S. aviation policy is now, or has been, one of protecting our airlines at the expense of consumers.

The United States was the original proponent of an open skies approach

after World War II. We sponsored a multilateral convention for this purpose and, in the negotiations leading to the original U.S.-U.K. agreement of 1946, we opposed any requirement that capacity and tariffs be subject to prior agreement among either airlines or governments. We had to abandon the multilateral convention because of united foreign opposition to it, and we ultimately reached a compromise with the British in the original Bermuda agreement on capacity and tariffs, accepting prior control of the latter but not the former. Postwar U.S. international aviation prospered under the liberal Bermuda-type agreement, to the benefit of airlines and consumers alike, despite the fact that only the United States continued to use the Bermuda-type agreement as a model.

The United States has negotiated over 50 bilateral air transport agreements, virtually all of which follow the Bermuda precedent. On occasion, we have had to accept less liberal conditions than we wanted because of foreign opposition to certain policies we sought. It needs to be emphasized in this connection that most foreign countries have a single national airline engaged in international service, that these airlines are often protected as a matter of national policy, and that many foreign countries simply do not believe in open competition in the field of aviation.

I believe these foreign perceptions are wrong, but the United States cannot force its views on the rest of the world. The United States has, however, done more to contribute to a healthy international aviation environment than any

other country through our emphasis on a competitive market structure and through the development, manufacture, and export of safe, efficient, and reliable commercial aircraft.

In any negotiation where there is serious disagreement, the bottom-line question is what the alternatives are. Do we insist on our position and run the risk of a confrontation including unilaterally imposed restrictions on, or suspension of, air services, or do we try to make the best compromise possible? There can be no general answer to this question, but I suggest that those who believe we should hold out for all or nothing should consider the public interest consequences of getting nothing.

I believe it is generally recognized that U.S. aviation policy has favored competition in international aviation, that this has been a longstanding U.S. policy, and that opposition to it has not come from within the U.S. Government but from abroad. But you want to know, and you are right in asking, whether the new U.S.-U.K. agreement adequately protects competition and consumer interests.

The British served notice of termination of the 1946 agreement because they had, for some time, been dissatisfied with that agreement. We had been having aviation difficulties with the United Kingdom at least since the early 1970's, stemming for the most part from what the United Kingdom believed was the excess capacity of U.S. airlines and from differences of views on interpretation of the agreement. The actual notice of termination did not, therefore, come as a complete surprise to us, which is not to say that we accepted the validity of United Kingdom dissatisfaction. In fact, the first 6 months of negotiations were largely devoted to attempting to convince the United Kingdom that it would fare better under a liberal agreement than the restrictionist one it sought. We did not wholly convince the British side, but we did lay the basis for the minimum U.S. demands in the negotiations.

The basic issue was really quite simple. The United Kingdom wanted an agreement which would reduce the risks of imbalance as much as possible. Although the United Kingdom formally denied that it wanted a guarantee of 50-50 market share, its insistence on complete predetermination of capacity, one airline per country per route, and turnaround U.S.-U.K. routes with no beyond rights amounted to the same thing. For our part, we opposed the concept of guaranteed balance on grounds that it would thwart market development and increase costs and,

therefore, the price to the consumer. We argued that a system which might be suited to the United Kingdom and its airlines was not suited to the U.S. international air transport system or to U.S. travelers and shippers.

In the final agreement reached, we did not achieve all our objectives but neither did the British. Our basic strategy was to trade those elements which were not crucial for those that were. Thus, we refused to accept the right of one side to have an absolute veto over any increase in capacity. The capacity procedures we finally accepted always allow some increase and moreover these procedures are applicable only on North Atlantic routes and only for passenger services.

North Atlantic all-cargo services and the Pacific, Bermuda, and Caribbean routes are not subject to any prior capacity control. We had to accept some limitations on designation of airlines, but even here there is a right to add another airline if a market reaches a certain size. On routes, we held fast to retaining rights to carry traffic to points beyond the United Kingdom and its territory where such rights are crucial, and we obtained rights to carry transit and connecting traffic beyond the United Kingdom to any points. We gave up beyond rights not being used and others of marginal value.

In an agreement as important as this one, there are bound to be differences of view over whether the right trade-offs were made. But trade-offs had to be made. Neither side had, after all, an absolute voice in dictating solutions. We had to be mindful of British desires as they had to be of ours. The bottom line issue was whether we could have done better and, if so, should we have broken off the negotiations and suspended air services in order to maximize our leverage. Personally, I doubt that the United States could have achieved a significantly better overall agreement had we broken off negotiations and suspended air services.

I can testify that it was a close question; we could have as easily taken the plunge and it was tempting to do so. But what would have happened then? The traveling public would have been greatly inconvenienced, our airlines would have incurred additional costs from rerouting flights, and our foreign commerce would have been affected. This situation could not have been allowed to continue indefinitely. Both governments would have resumed negotiations and faced the same issues, and it is unrealistic to assume that either government would have capitulated to the other.

The new U.S.-U.K. Air Services

Agreement has been given the short-hand of Bermuda II which implies that, since Bermuda I became the standard for other agreements, so should Bermuda II become the new standard. This is unfortunate and misleading. In 1946 the Bermuda agreement was a precedent-setting event because it was the first major postwar agreement and it was concluded with a country whose overseas territories made it, by any test, the most important link in the U.S. international transportation system. Thirty years later, this is no longer true. The new U.S.-U.K. agreement is now merely one of almost 60 U.S. agreements and the United Kingdom no longer has extensive overseas territories where we need aviation rights.

It is often part of the bargaining process for one country to demand rights comparable to those given another country where this tactic happens to suit a country's interest. I am not concerned that some foreign countries are asking for a Bermuda II-type agreement.

- First, they will want to have it both ways by demanding that we accord them the same treatment as the British got only in areas which are to their advantage while seeking to be more restrictive than Bermuda II in other areas.

- Secondly, we are not about to accept the most-favored-nation principle in exchanging aviation rights any more than other countries do.

- And thirdly, the U.S.-U.K. market and air transport structure has its own characteristics which are not necessarily applicable elsewhere.

The central question remains. Does the new agreement with the United Kingdom adequately protect competition and consumer interests or is it an aberration inconsistent with our policies? I believe that, when viewed in light of a hardheaded appraisal of the realities and the alternatives, it does adequately—and I stress the word “adequately”—protect our interests. At the same time, we have developed some new insights which will stand us in good stead for the future. The most significant of these is that we are dealing with a total international air transportation system which includes both scheduled and charter air services. We should, and we will, insist on negotiating to increase the opportunities in both areas of transportation in package agreements. Achievement of this objective is all the more important now because of the impact which the recently introduced deep discount air fares may

have on the viability of charter services.

We also intend to focus our attention on opportunities to expand international air services to more U.S. cities and communities, including service to foreign airlines, if we can obtain concessions in return which liberalize the air transportation environment in such areas as low air fares and removal of capacity controls. As has been stated, we want to trade opportunities for not restrictions. These approaches focus on particular elements more than they have in the past, but the central theme of a liberal, competition-oriented U.S. policy is not fundamentally different today than it was years ago. We face formidable foreign opposition to these policies, as we have in the past. However, I am confident that through determination and persuasion and by offering real benefits to foreign countries, we can achieve an increasingly better international aviation system which serves the best interests of the public, of our foreign commerce, and of our airline companies and workers.

¹ Statement made before the Subcommittee on Aviation of the Senate Committee on Commerce, Science, and Transportation on Dec. 1, 1977. Katz is Assistant Secretary for Economic and Business Affairs.

Current Action

MULTILATERAL

Aviation

Convention on international civil aviation. Done at Chicago December 7, 1944. Entered into force April 4, 1947. TIAS 1591.

Adherence deposited: Guinea-Bissau, December 15, 1977.

Protocol relating to an amendment to the convention on international civil aviation (AS 1591). Done at Rome September 15, 1975. Entered into force September 11, 1975. AS 8162.

Ratifications deposited: Lebanon, July 1977; Turkey, September 14, 1977.

Convention on offenses and certain other acts committed on board aircraft. Done at The Hague September 14, 1963. Entered into force December 4, 1969. TIAS 6768.

Accessions deposited: Mauritania, June 1977; Zaire, July 20, 1977.

Protocol relating to an amendment to the convention on international civil aviation (AS 1591). Done at Vienna July 7, 1971. Entered into force December 19, 1974. TIAS 806

ary 1978

tifications deposited: Federal Republic of Germany, September 16, 1977; Jamaica, September 9, 1977; Turkey, September 14, 1977.

Protocol relating to an amendment to the convention on international civil aviation (TIAS 91). Done at Montreal October 16, 1974.¹

tifications deposited: Ecuador, October 25, 1977; Indonesia, November 18, 1977.

oms

Convention concerning the international union for the publication of customs tariffs, regulations for the execution of the convention, and final declarations. Done at Brussels July 5, 190. Entered into force April 1, 1891. 384.

Notification of denunciation deposited: Uruguay, May 20, 1977; effective April 1, 1982.

Customs convention regarding E.C.S. carnets for commercial samples, with annex and protocol of signature. Done at Brussels March 1, 1966. Entered into force October 3, 1957; for United States March 3, 1969. TIAS 6632.

Notification of denunciation deposited: Netherlands, October 28, 1977; effective January 28, 1978.

nce

Treaty establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976. Entered into force November 1977.

tifications deposited: Ghana, December 5, 1977; Peru, December 6, 1977; Italy, December 10, 1977; Austria, France, Iran, Sudan, Yugoslavia, December 12, 1977; Honduras, Iraq, December 13, 1977.

Accessions deposited: Comoros, Gambia, Guyana, Lesotho, Malawi, Niger, Qatar, Namibia, Vietnam, Yemen (Aden), December 13, 1977.

o and Agriculture Organization

Constitution of the Food and Agriculture Organization of the United Nations. Signed at Quebec October 16, 1945. Entered into force October 16, 1945. TIAS 1554.

Signatures: Angola, Comoros, Democratic People's Republic of Korea, Djibouti, Mozambique, Namibia, São Tomé and Príncipe, and Seychelles, November 14, 1977.

o Lines

International convention on load lines. 1966. Done at London April 5, 1966. Entered into force July 21, 1968. TIAS 6331, 6629, 6720. *Accession deposited:* Honduras, November 16, 1977.

Maritime Matters

Convention on the Intergovernmental Maritime Consultative Organization. Done at Geneva March 6, 1948. Entered into force March 17, 1958. TIAS 4044.

Acceptance deposited: Guinea-Bissau, December 6, 1977.

Amendments to the convention of March 6, 1948, as amended, on the Intergovernmental

Maritime Consultative Organization (TIAS 4044, 6285, 6490). Adopted at London October 17, 1974. Enters into force April 1, 1978. TIAS 8606.

Acceptances deposited: Gabon, November 15, 1977; Guinea-Bissau, December 6, 1977.

Nuclear Weapons-Nonproliferation

Treaty on the nonproliferation of nuclear weapons. Done at Washington, London, and Moscow July 1, 1968. Entered into force March 5, 1970. TIAS 6839.

Accession deposited: Portugal, December 15, 1977.

Oil Pollution

Amendments to the international convention for the prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900, 6109). Adopted at London October 21, 1969. Enters into force January 20, 1978. TIAS 8505.

Acceptance deposited: Chile, November 2, 1977.

Patients

Patient cooperation treaty, with regulations. Done at Washington June 19, 1970. Enters into force January 24, 1978.

Proclaimed by the President: December 14, 1977 (with declarations).

Ratification deposited: France (with declarations),² November 25, 1977.

Red Cross

Protocol additional to the Geneva conventions of 12 August 1949, and relating to the protection of victims of international armed conflicts (Protocol I), with annexes. Adopted at Geneva June 8, 1977. Open for signature at Bern December 12, 1977, to December 12, 1978. Enters into force 6 months after two instruments of ratification or accession have been deposited.

Protocol additional to the Geneva conventions of 12 August 1949, and relating to the protection of victims of noninternational armed conflicts (Protocol II). Adopted at Geneva June 8, 1977. Open for signature at Bern December 12, 1977 to December 12, 1978. Enters into force 6 months after two instruments of ratification or accession have been deposited.

Signatures: Austria, Belgium, Byelorussian Soviet Socialist Republic, Canada, Chile, Denmark, Ecuador, Egypt, El Salvador, Finland, German Democratic Republic, Ghana, Guatemala, Holy See, Honduras, Hungary, Iceland, Iran, Ireland, Italy, Ivory Coast, Jordan, Liechtenstein, Luxembourg, Mongolia, Morocco, Netherlands, Nicaragua, Norway, Pakistan, Panama, Peru, Philippines, Poland, Portugal, Senegal, Sweden, Switzerland, Trinidad and Tobago, Tunisia, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom, United States, Vietnam, Yugoslavia, December 12, 1977.

Safety at Sea

International convention for the safety of life at

sea, 1974, with annex. Done at London November 1, 1974.¹

Ratifications deposited: Liberia, November 14, 1977; United Kingdom, October 7, 1977.

Sugar

International sugar agreement, 1977, with annexes. Done at Geneva October 7, 1977. Open for signature at U. N. Headquarters October 28 until December 31, 1977. Enters into force January 1, 1978, provided that certain conditions have been met.

Signatures: Philippines, November 18, 1977; Panama, November 29, 1977; Mauritius, November 30, 1977; Guatemala, Madagascar, December 1, 1977; Honduras, Paraguay, December 7, 1977; Argentina, December 8, 1977; United States, December 9, 1977; Brazil, December 13, 1977.

Notification of provisional application deposited: Argentina, December 8, 1977; Brazil, December 13, 1977; Guatemala, Madagascar, December 1, 1977; Panama, November 29, 1977.

Telecommunications

International telecommunication convention, with annexes and protocols. Done at Malaga-Torremolinos October 25, 1973. Entered into force January 1, 1975; for the United States April 7, 1976. TIAS 8572.

Ratification deposited: Pakistan, September 26, 1977.

Partial revision of the radio regulations, Geneva, 1959, as amended (TIAS 4893, 5603, 6332, 6590, 7435), to establish a new frequency allotment plan for high-frequency radio-telephone coast stations, with annexes and final protocol. Done at Geneva June 8, 1974. Entered into force January 1, 1976; for the United States April 21, 1976. TIAS 8599.

Notification of approval: Yugoslavia, October 6, 1977.

World Heritage

Convention concerning the protection of the world cultural and natural heritage. Done at Paris November 23, 1972. Entered into force December 17, 1975. TIAS 8226.

Acceptance deposited: Brazil (with declaration), September 1, 1977.

World Meteorological Organization

Convention of the World Meteorological Organization. Done at Washington October 11, 1947. Entered into force March 23, 1950. TIAS 2052.

Accession deposited: Guinea-Bissau, December 15, 1977.

BILATERAL

Afghanistan

Project grant agreement relating to Central Helmand drainage (phase II). Signed at Kabul August 29, 1977. Entered into force August 29, 1977.

Agreement concerning the prohibition of opium poppy cultivation in the project area of the Central Helmand drainage project (phase II). Signed at Kabul August 29, 1977. Entered into force August 29, 1977.

Agreement concerning the prohibition of opium poppy cultivation in the project area of the integrated wheat development project. Signed at Kabul September 29, 1977. Entered into force September 29, 1977.

Cuba

Maritime boundary agreement. Signed at Washington December 16, 1977. Enters into force provisionally January 1, 1978; definitively on the date of exchange of instruments of ratification.

Haiti

Agreement amending the agreement of March 22 and 23, 1976, as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Washington November 23, 1977. Entered into force November 23, 1977.

Turkey

Agreement extending the agreement of July 8,

1976, (TIAS 8371) on procedures for mutual assistance in the administration of justice in connection with the Lockheed Aircraft Corporation and the McDonnell Douglas Corporation matters. Effected by exchange of letters at Washington December 6, 1977. Entered into force December 6, 1977; effective July 8, 1977

Yugoslavia

Air transport agreement, with memorandum of understandings. Signed at Washington December 15, 1977. Entered into force provisionally December 15, 1977; definitively on the date of an exchange of notes indicating that the agreement has been approved by the parties in accordance with their constitutional requirements.

Agreement amending the nonscheduled air service agreement of September 27, 1973 (TIAS 7819). Effected by exchange of notes at Washington December 15, 1977. Entered into force December 15, 1977. □

¹ Not in force.

² Applicable to the territory of the French Republic, including the Overseas Departments and Territories.

PRESS RELEASES: Department of State

December 12-January 6

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
554	12/12	Vance, Sadat: news conference, Cairo, Dec. 10.
* 555	12/12	Vance: departure remarks, Cairo, Dec. 10.
* 556	12/12	Vance: arrival statement, Tel Aviv, Dec. 10.
* 557	12/12	Vance: remarks following first meeting with Prime Minister Begin, Jerusalem, Dec. 10.
* 558	12/12	Vance, Begin: exchange of toasts, Jerusalem, Dec. 11.
559	12/12	Vance, Begin: news conference, Jerusalem, Dec. 11.
* 560	12/12	Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS), working group on radiocommunications, Jan. 10.
* 561	12/12	SCC, SOLAS, working

		group on international multimodal transport and containers, Feb. 1.
* 562	12/12	U.S., Haiti amend textile agreement.
* 563	12/13	Vance, Dayan: remarks to the press, Ben Gurion Airport, Dec. 12.
* 564	12/13	Vance: arrival statement, Amman, Dec. 12.
* 565	12/13	Vance: departure statement, Amman.
566	12/13	Vance: press conference, Beirut.
* 567	12/13	Vance: arrival statement, Damascus.
* 568	12/14	Vance: remarks to press, Damascus, Dec. 13.
* 569	12/14	Vance: departure statement, Damascus.
570	12/15	U.S.-Hungarian joint communique on the return of the Crown of St. Stephen.
* 571	12/15	National Women's Conference, Washington, D.C., Dec. 15.
* 572	12/15	SCC, SOLAS, working group on standards of training and watchkeep-

* 573	12/15	ing, Jan. 12 and Jan. 2
		Study group 5 of the U.S. National Committee for the International Radio Consultative Committee, Jan. 12.
574	12/15	Vance: departure statement, Riyadh.
575	12/15	Atherton: remarks at opening session of the preparatory meeting of the Geneva peace conference, Dec. 14.
* 576	12/16	U.S., Yugoslavia sign transport agreement.
577	12/16	Mondale, Vance: remarks upon Secretary's arrival Andrews Air Force Base, Dec. 15.
* 578	12/19	U.S. Advisory Commission on Folk Music and Jan. 17.
* 579	12/20	U.S., Cuba sign boundary agreement, Dec. 16.
* 580	12/20	U.S., U.S.S.R. exchange views on limitation of international arms trade.
† 581	12/20	U.S., Mexico initial aviation agreements.
* 582	12/21	Advisory Committee on Transnational Enterprise, Jan. 18.
* 583	12/21	Study Group 9 of the Organization for the International Radio Consultative Committee, Jan. 24-25.
* 584	12/22	U.S., Republic of China sign interim textile agreement, Dec. 16.
* 585	12/27	Study Group 1 of the National Committee for the International Telegraph and Telephone Consultative Committee, Jan. 24-25.
586	12/31	Release of political prisoners.
* 1	1/3	U.S., Thailand amend textile agreement, Oct. 6.
* 2	1/4	U.S., Korea sign textile agreement, Dec. 23.
* 3	1/5	SCC, SOLAS, working group on life saving appliances, Jan. 30.
* 4	1/6	William L. Slayton sworn as Deputy Assistant Secretary for Foreign Building Operations (biographic data).
* 5	1/6	Glen O. Robinson named chairman of the 15th delegation to the World Administrative Radio Conference (biographic data).

* Not printed

† Held for a later edition of the BULLETIN

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bulletin *February 1978*

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Department of State bulletin

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Warsaw greeting.

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With President Giscard d'Estaing on Normandy beachhead

THE PRESIDENT: Visit to Europe, South Asia, and the Middle East

President Carter left Washington December 29, 1977, on a trip to Poland, Iran, India, Saudi Arabia, Egypt, France, and Belgium. He returned on January 6, 1978.

Following are remarks by President Carter made on various occasions during the trip—including his news conference in Warsaw and his addresses in New Delhi and Paris—as well as the texts of the joint U.S.-Poland communique and the Delhi Declaration.¹

DEPARTURE, THE WHITE HOUSE, DEC. 29²

I depart today on a journey that reflects both the diversity of the world we live in and also our own nation's ability and desire to deal creatively and constructively with that diversity.

It's a rapidly changing world, a world in which the old ideological labels have less meaning than ever, in which the universal desire for freedom and for a better life is being expressed more strongly and in more ways than ever before, a world in which political awakening, economic independence, and technological progress have created new demands on the foreign policy of our people.

The variety of places that we will visit over the next 9 days is symbolic of the breadth and the variety of American interest in this new world.

In France and in Western Europe, we will reaffirm the historic bonds and our common values, and we will explore ways to meet the common problems of the industrial democracies.

In Poland, the ancestral home of millions of Americans, we will nourish the improving relationships between the United States and the peoples of Eastern Europe.

In Iran and in Saudi Arabia, we will discuss key economic relationships and press for a continuation of the dramatic progress that is being made in bringing peace to the Middle East.

In India, which is the largest democracy on Earth, we will seek new paths of cooperation and communication between the developing nations of the world and the industrial north.

And in all these places, we will be affirming our dedication to peace and our support of justice and of human rights.

It is a changing world, a different world, and, I believe, that it's also a different America whose message we will carry, an America more confident and more united, at peace with other nations and also at peace with itself, an

America which is ready and able to cooperate wherever possible and to compete when necessary.

After a long period of doubt and turmoil here, we are finding our way back to the values that made us a great nation. And in this new spirit we are eager to work with all countries and all peoples in building the kind of world and the kind of world community that serves the individual and common needs of all.

We undertake this trip to express our own views clearly and proudly but also to learn and to understand the opinions and the desires of others. We will try to represent our nation and our people well, and I'll take the good will of America everywhere we go.

ARRIVAL, WARSAW, DEC. 29³

First Secretary Gierek

On behalf of the highest authorities of the Polish People's Republic, in the name of our people, I greet you cordially, Mr. President, on the Polish soil.

We are happy to be able to play host to you and Mrs. Carter as well as to persons accompanying you. We are welcoming and greeting you, Mr. President, as the highest representative of the great American people for which we entertain our sentiments of friendship.

History has linked our two nations by manifold ties. They were molded by the great sons of the Polish people through their participation in the struggle for American independence. They were shaped by the scores of Polish emigrants who have contributed their significant and valuable share to the development and might of the United States. They have been further strengthened in our joint strife for the freedom of all peoples within the great anti-Nazi coalition.

Our desire is to cultivate those tradi-

tions in the present-day peaceful and friendly Polish-American cooperation.

We trust your visit will contribute to its further expansion, beneficial to our peoples and promoting the dearest cause to all nations, the cause of peace.

You are arriving in Poland, Mr. President, at a time when the process of international detente—so important as it is to all mankind and the world at large—has been again rejuvenated by the constructive dialogue of states and the expectations of nations.

You no doubt understand, Mr. President, that to the people of Poland, which has so dreadfully experienced the atrocities of war, security is the supreme value, while life and peace is the fundamental right.

We view your present visit, Mr. President, as a reaffirmation of the friendly feelings of the American people toward Poland and an expression of the interest in our active peaceful policies. We see in it, too, a manifestation of your personal involvement in the further expansion of Polish-American cooperation in cultivating the traditional friendship between our nations.

We are glad, indeed, that we shall be able to acquaint you with the record of accomplishment of Socialist Poland, with its plans and aspirations with all that at a price of a relentless effort, painstaking and self-sacrificing labors our nation has built on the ruins and ashes.

Ours is the desire that your visit to Poland serve actions which link our peoples together and that it may engrave well in the good memories of yourself, Mr. President, Mrs. Carter, and the members of your party.

Welcome on the Polish soil, Mr. President, in the spirit of the Polish hospitality.

President Carter

We are delighted to be in your great country. When I left the United States this morning, I told the people of my nation that this journey reflects the diversity of a rapidly changing world. It is a world in which old ideological labels have lost their meaning and in which the basic goals of friendship, world peace, justice, human rights, and individual freedom loom more important than ever.

I am proud to begin this journey in

Poland—friend of the United States since the time our nation was founded. Poland is the ancestral home of more than 6 million Americans, partner in a common effort against war and deprivation.

Relations are changing between North and South, between East and West. But the ties between Poland and the United States are ancient and strong.

Not far from our home in the State of Georgia, a great patriot of both our nations, Casimir Pulaski, was mortally wounded while leading a cavalry legion in the fight for American independence. The home of my son's wife is Pulaski County, Georgia, named for this hero from Poland.

Also, for his military skill and bravery, Thaddeus Kosciuszko won the respect of our first President, George Washington, during wartime. And for his commitment to freedom and justice, he won the admiration of our third President, Thomas Jefferson, in time of peace.

These brave men fought alongside Americans in the era which produced three of the great documents in the struggle for human rights. One was the Declaration of Independence from America. The second was the Declaration of the Rights of Man from France. And the third was the Polish Constitution of May 3, 1791.

Our shared experience in battle has also taught us the paramount importance of preventing war, which has brought devastation to Poland twice in this century. At the end of World War I, a great American, Herbert Hoover, came to Poland to help you ease the

suffering of war and to observe the reestablishment of an independent Poland. Circumstances were different and the struggle was long, but Hoover said, and I quote, "If history teaches us anything, it is that from the unquenchable vitality of the Polish race, Poland will rise again from these ashes." And his prediction came true.

I have come not only to express our own views to the people of Poland but also to learn your opinions and to understand your desires for the future. Building on the historical ties between us, recognizing the new and changing realities of life, I look forward to strengthening Polish-American friendship on my visit here in Warsaw.

We deeply appreciate the warm welcome extended to us tonight by First Secretary Gierek and by the Polish people.

NEWS CONFERENCE, WARSAW, DEC. 30⁴

It's a great honor for me to be here in Poland to reaffirm and to strengthen the historic and strong ties of friendship and mutual purpose which exist between our two countries. I have had very fruitful discussions with First Secretary Gierek and the other officials of Poland on bilateral questions, on questions involving NATO and the Warsaw Pact countries, matters relating to the Strategic Arms Limitation Talks (SALT), mutual and balanced force reductions, and general commitments to peace in the future.

This morning I had a chance to visit memorials to the brave people of Po-

land, and particularly of Warsaw, doubt that there is any nation on Earth which has suffered more from the ages of war. In the Second World War the Nazis killed 800,000 people in Warsaw alone and 6 million Poles. I was able to pay homage to their courage and bravery.

I also visited the Ghetto Monument, a memorial to Polish Jews who stood alone to face the Nazis but who forever live in the conscience of the world.

This afternoon I would like to answer questions from the reporters assembled here. There were a few who wanted to attend who were not permitted to come. Their questions will be answered by me in writing.

Q [in Polish]. Poland and the tire world has attached great importance to the relations between the United States and the Soviet Union. Could you answer what is your assessment of the chance for a prompt conclusion on SALT talks and other discussions on strategic n-

ITINERARY

Dec. 29-31	Warsaw, Poland
Dec. 31-Jan. 1	Tehran, Iran
Jan. 1-3	New Delhi, India*
Jan. 3-4	Riyadh, Saudi Arabia
Jan. 4	Aswan, Egypt
Jan. 4-6	Paris, France**
Jan. 6	Brussels, Belgium
	Washington, D.C.

*On Jan. 3 President and Mrs. Carter visited the farming village of Daulatp Nasirabad, which was officially renamed Carter-Poori (Carter Place) in honor of the visit.

**On Jan. 5 President Carter visited Normandy Beach and Bayeux and attended an evening reception at the Chateau de Versailles.



...s, and how in this respect do you assess the latest pronouncement by Leonid Brezhnev in an interview for Pravda Daily?

A. In the last few months, the United States and the Soviet Union have made great progress in dealing with a long list of important issues, the most important of which is to control the deployment of strategic nuclear weapons. We hope to conclude the SALT II talks this year, hopefully in the spring. We have resolved many of the major issues. A few still remain. We have made good progress in recent months. At the same time, we have made progress for the first time in establishing principles on which there can be a total prohibition against all tests of nuclear explosives in the future. We've made progress on prohibiting additional military buildup in the Indian Ocean, recently commenced talks to reduce the sale of conventional weapons to other nations in the world. And I will pursue this same subject with President Giscard [d'Estaing of France] next week.

In addition, the Soviets and we are making progress in how we can prevent the use in the future of chemical and biological warfare, and we hope that we can reinstate progress in the mutual and balanced force reductions which have been stalemated in Vienna for a number of years. So, I would say in summary I am very encouraged by the new progress that I have witnessed personally among our negotiators. When [Soviet] Foreign Minister Gromyko was in Washington recently, in a few hours we resolved many of the difficult issues. Our negotiators are at work on all those subjects at this present time. There has been no cessation of effort. And I believe that 1978 will see a resolution of many of these issues.

Q. Are you likely to go to Egypt next Wednesday, and if you do, will it be primarily because President Sadat has urged you to go, or for some other purpose, or why?

A. I have a standing invitation from President Sadat to visit Egypt that he extended to me on his trip to Washington. And he's reemphasized it several times since that date. We have had no discussions with President Sadat on that particular visit to Egypt while I'm on this trip. We will try to keep our schedule flexible. If it's mutually convenient and desirable, we would certainly consider it. But we have no plans at this time to stop in Egypt next Wednesday or any other time on this trip. I might say that our own relations with the Arab nations, including, certainly, Egypt, are very good and har-



First news conference held by an American President in Eastern Europe

monious. There has been no change in our own position relating to the Middle Eastern talks. And we communicate almost daily with the Egyptian and Israeli leaders. And as you know, I will be meeting King Hussein [of Jordan] in Tehran on our next stop on this trip.

Q. You said you often don't intend and don't desire to dictate the terms of a Middle East settlement.

A. Yes. This is true.

Q. And yet President Sadat seems to think that you have pulled the rug out from under him and that you are, in fact, dictating terms when you are backing an Israeli military presence on the West Bank at Gaza after there would be a settlement.

A. We don't back any Israeli military settlement in the Gaza Strip or on the West Bank. We favor, as you know, a Palestinian homeland or entity there. Our own preference is that this entity be tied in to Jordan and not be a separate and independent nation. That is merely an expression of preference which we have relayed on numerous occasions to the Arab leaders, including President Sadat when he was with me in Washington. I've expressed the same opinion to the Israelis, to King Hussein, and to President Asad [of Syria], and also to the Saudi Arabians.

We have no intention of attempting to impose a settlement. Any agreement which can be reached between Israel and her Arab neighbors would be acceptable to us. We are in a posture of expressing opinions, trying to promote intimate and direct negotiations and

communications, expediting the process when it seems to be slow, and adding our good offices whenever requested. But we have no intention or desire to impose a settlement.

Q [in Polish]. Let me welcome you not only as the President of the United States but as an eminent American Baptist. I am a Baptist myself. I am preoccupied with editing a Baptist magazine in Poland, and I would like to express my gladness that you have been elected to the post of the President of the United States, as a man, as a believer who is not ashamed of it and of his evangelical convictions. This prompts me to wish you and your family the best of the very best in 1978 and also in your activity in strengthening peace the world over.

And now over to our question. We all know that you are a practicing Christian, as every Baptist should be—as every good Baptist should be. And I would like to ask whether your religious convictions help you in executing the job of a President of such a big country. Can you quote an example in how the evangelical principles helped you in solving any complicated problem?

And the second question, we the Polish Baptists live in an extra-Catholic country, and on occasions we are discriminated against. As a believer, as a Baptist, can you influence the change of a situation?

A. As you know, the United States believes in religious freedom. And I'm

very grateful for the degree of religious freedom that also exists in Poland.

Dr. Brzezinski, my national security adviser, and my wife, Rosalynn, had a visit with Cardinal Wyszyński this morning and did this as an expression of our appreciation for the degree of freedom to worship in this country.

This is a matter of conscience, as a Baptist and as an American leader. We believe in separation of church and state, that there should be no unwarranted influence on the church or religion by the state, and vice versa. My own religious convictions are deep and personal. I seek divine guidance when I make a difficult decision as President and also am supported, of course, by a common purpose which binds Christians together in a belief in the human dignity of mankind and in the search for worldwide peace—recognizing, of course, that those who don't share my faith quite often have the same desires and hopes.

My own constant hope is that all nations would give maximum freedom of religion and freedom of expression to their people, and I will do all I can within the bounds of propriety to bring that hope into realization.

Q. During those Presidential debates, in a celebrated exchange, President Ford claimed that Eastern Europe was not under Soviet domination. And you replied, "Tell it to the Poles." Well, now that you're here, is it your view that this domination will continue almost into per-

petuity, or do you see a day when Poland may be actually free? And if so, how would that come about?

A. This is obviously a decision for the Polish leaders and the Polish people to make. Our nation is committed to the proposition that all countries would be autonomous, they would all be independent, and they would all be free of unwanted interference and entanglements with other nations.

The Polish people have been bound very closely to the Soviet Union since the Second World War, and they belong to a Warsaw Pact military alliance, which is, of course, different from the NATO relationship to which we belong.

My own assessment within the European theater—Eastern European theater—is that here, compared to some other nations, there is a great religious freedom and otherwise, and I think this is a hope that we all share and cherish. I think this has been the origin of the Polish nation more than a thousand years ago, and it's a deep commitment of the vast majority of the Polish people, a desire and a commitment not to be dominated.

Q. You don't deny that they are dominated here?

A. I think I've commented all I wish on that subject.

Q [in Polish]. What is the potential for realization of the Helsinki Final Act as an integral entity, especially in the view of the Belgrade meeting? And what is your opinion about

[West German] Chancellor Schmidt's proposal to repeat in or another form the meeting on the top level?

A. I think the Helsinki agreement which calls for cooperation and security in Europe and which has, as a called third basket component, an insistence upon maximum enhancement of preservation of human rights, is an agreement that is important to the Poles and also to our country and other signatories of that treaty.

We believe that the Belgrade conference has been productive. This is a question that must be approached on a multinational basis. The treaty terms provide for open and frank criticism of other signatories when standards are not met. There has been a free exchange of opinion between ourselves and the Soviet Union and, indeed, the nations involved.

We hope that this session will contribute to a rapid and successful conclusion and that there will be repeated scheduled meetings based upon the Belgrade conference that would be held in the future so that all nations who participated in the Helsinki agreement and all the who didn't become signatories would have a constant reminder before them of the importance of cooperative mutual security, the sharing of information, the recombination of families, free emigration, and the preservation of basic human rights.

So, I hope that this will be a continuing process scheduled repeatedly so that this issue of human rights will never be forgotten.

Q. Then how satisfied are you that your concept of the preservation of human rights is currently being honored here in Poland?

A. I think that our concept of human rights is preserved in Poland, as I've said, much better than some other European nations with which I'm familiar. There is a substantial degree of freedom of the press exhibited at this conference this afternoon; a substantial degree of freedom of religion demonstrated by the fact that approximately 90% of the Polish people profess faith in Christ; and an open relationship between Poland and other countries and Poland and Western European countries in trade, technological exchange, student exchange, and tourism.

So, I don't think there's any doubt that the will of the Polish people for complete preservation and enhancement of human rights is the same as our own.

Q. What steps, then, do you believe should be taken here in Poland

JOINT U.S.-POLAND COMMUNIQUE, DEC. 31⁵

The President of the United States of America and Mrs. Carter paid an official visit to Poland December 29-31, 1977, at the invitation of the highest authorities of the Polish People's Republic. The President was accompanied by Secretary of State Cyrus R. Vance and by Assistant to the President for National Security Affairs Zbigniew Brzezinski.

The President laid a wreath at the Tomb of the Unknown Soldier and placed flowers at the Nike Monument to the Heroes of Warsaw and at the Monument to the Heroes of the Ghetto. He also saw some districts of Warsaw, acquainting himself with its reconstruction and development.

During the visit, the President held talks with the First Secretary of the Central Committee of the Polish United Workers' Party, Edward Gierek.

In the plenary talks, which were chaired by the President and the First Secretary, there took part: From the American side: Secretary

of State Cyrus R. Vance, Assistant to the President Zbigniew Brzezinski, and other officials. From the Polish side: The Chairman of the Council of State, Henryk Jablonski, Chairman of the Council of Ministers Piotr Jaroszewicz, and other officials.

Secretary of State Cyrus R. Vance also held talks with Minister of Foreign Affairs Emil Wojtaszek.

The President and the First Secretary expressed their satisfaction with the conversations they had held as well as their conviction that continued visits at the highest levels, as well as visits by other leading personalities of both countries, serve the interests of both countries and the development of détente and international cooperation.

President Carter expressed his gratitude to the First Secretary and to Mrs. Gierek for the splendid hospitality accorded in Poland to him, Mrs. Carter, and the entire delegation.

President Carter invited First Secretary Gierek to visit the United States. The invitation was accepted with pleasure. The dates for this visit will be agreed upon through diplomatic channels.

come closer to reaching your concept?

A. I think Poland shares with us a commitment, which is sometimes embarrassing for us and them, to have our own faults publicized evocatively at conferences like the one in Belgrade, where there's a free and open discussion and criticism and a singular pointing out of violations of high standards of human rights preservation. We have been criticized at Belgrade, sometimes legitimately; sometimes, I think, mistakenly. The same applies to nations in Eastern Europe and to the Soviet Union.

And I think this is the best thing that we can do at this point, is to continue to insist upon a rigid enforcement and interpretation of the human rights section of the Helsinki agreement.

Q [in Polish]. The United States is facing an energy crisis which is also an international problem. How can we see the possibilities of solving that crisis, like a multilateral conference, a European conference or bilateral agreements, and are you of the opinion that the cooperation between the United States and Poland in this respect is possible?

A. One of the worst domestic problems that we have is the overconsumption and waste of energy. I have no doubt that every country I visit on this tour will be pressing us on the question of what will the United States do to save energy and not to import too much of the very scarce oil, in particular, which is available on the world markets. We are addressing this as a top priority among domestic issues.

Poland is, as you know, self-sufficient in both hard coal and also in brown coal, which is increasing in production in Poland itself. We call it lignite in our own country. One of the things that we can do is on a worldwide basis to try to hold down unnecessary demand for oil and natural gas, thereby providing stable prices.

Another is to consume those energy resources which we have most available in our country and in yours, coal; shift to permanent sources of energy, primarily those derived from solar power; and share research and development information and commitments, a subject which I was discussing early today with First Secretary Gierek.

How to burn lignite coal so that it will have minimum effect on the environment and also have maximum heat derivation is a question of importance to you and to us. We are now shifting from the production and consumption of lignite coal in our own country, for instance, and so are you. So, I think

sharing, on an international basis, of data and technological advantages and progress in the energy field and conservation of scarce energy sources for all nations would be the two basic things which we could do jointly.

Q [in Polish]. What is involved in the entity of Polish-American cooperation, so far, and what is your opinion as far as this cooperation between Poland and the United States is concerned, and how in the light of today's talks can you see the prospects for the development of such cooperation as well as what the United States wants to do to contribute to this development?

A. We already have a good relationship with Poland in cultural exchange, in technological and scientific cooperation, and in a rapidly growing level of trade. About 4 years ago we had a total trade with Poland of only about \$500 million. In 1978 the level of trade will probably exceed \$1 billion.

I have just informed First Secretary Gierek that in addition to the \$300 million in commodity credit grain sales that has been authorized by our own country, that we will increase that by \$200 million more worth of food and feed grains.

Poland has had a devastating and unprecedented 4 years of crop failure because of adverse weather conditions; 3 years of drought, the last year, of excessive floods. We, on the other hand, have had very good and bountiful harvests. And we want to share our grain with Poland on legal credit terms which have already been established by our government.

I think another thing that Poland can help with is to improve even further the better relationships that we are working out with the Soviet Union. Poland is a nation that has good communications and cooperation with the nations in Western Europe—with Germany, Belgium, Holland, France and others—and also is an integral part of the Warsaw Pact nations. And I think this ease of communication and this natural and historical friendship is a basis on which Poland can provide additional cooperation and communication between ourselves and the Soviet Union.

I don't say this to insinuate that we have a lack of communication now. But Poland's good offices can be of great benefit to us.

Q. In your discussions earlier today with First Secretary Gierek and other Polish leaders, did they in your mind express any viewpoints on international questions that diverged in tone or substance from the viewpoints generally expressed by the Soviet Union?

A. We discussed a wide range of subjects. I didn't detect any significant differences of opinion between ourselves and the Polish leaders, and we did not go into detail on matters that now are not resolved between ourselves and the Soviets.

For instance, the details of the SALT negotiations and the comprehensive test ban were not discussed by me and Mr. Gierek. So, I would say that we found no disharmonies of any significance between ourselves and the Poles, or between the Poles and the Soviet Union.

Mr. Gierek did express a concern that there might be a bilateral agreement between Israel and Egypt in the Middle East, to the exclusion of the other Arab countries. This is an opinion also held by the Soviet Union. It's an opinion also held by us and by Israel and Egypt.

I pointed out to Mr. Gierek that had the Egyptians and Israelis wanted to seek a solution only for the Sinai region and the Egyptian-Israeli relationship, they could probably already have consummated such an agreement. But President Sadat and Prime Minister Begin do not want such an agreement. I pointed out this to Mr. Gierek, and he was relieved to hear this.

He also was quite concerned about the lack of progress on the mutual and balanced force reductions, which have been stalemated in Vienna for years. He pointed out that the primary responsibility lay on the shoulders of the United States and the Soviet Union.

This is not exactly the case, because we consult very closely with our NATO allies before any common opinion or proposition is put forward. I hope to relieve this stalemate shortly. And we are consulting closely with the Germans and others in the Western European theater and also with the Soviets on this matter.

He was very pleased that we want to reduce international sales of conventional weapons. This is a subject on which we have just begun to talk with the Soviet Union, and perhaps Poland is ahead of the Soviet Union in this particular subject. But I hope that they will be amenable to that same suggestion.

So, the answer is, I don't know of any disagreements between the Poles and the Soviets that came out this morning, nor do I know any significant disagreements that came out between ourselves and the Poles.

Q [in Polish]. The Soviet leader, Leonid Brezhnev has put forward a suggestion recently that the Eastern and Western countries renounce the neutron bomb together. Would you

be ready to accept such a proposal?

A. One of the disturbing failures up until this point in nuclear weaponry has been a complete absence of discussions concerning tactical or theater nuclear weapons. The only discussions that have ever been held between ourselves and the Soviets related only to strategic weapons, those that can be fired from one continent to another or from the sea into a continent.

I would hope that as a result of the SALT II talks we might agree with the Soviets to start addressing the question of the so-called tactical nuclear weapons, of which the enhanced radiation or neutron bomb would be one.

This weapon is much less destabilizing in its effect, if it should be deployed, than, for instance, some of the advanced new Soviet weapons like the SS-20 missile, which is much more destructive than any weapon held by the NATO allies and has a much greater range.

So, my hope is that in general we can reduce the threat of nuclear destruction in the European area. There are now several thousand tactical nuclear weapons already deployed on both sides in the European theater. And the whole matter must be addressed in its entirety rather than one weapon at the time.

We would not deploy the neutron bomb or neutron shells unless it was an agreement by our NATO allies. That's where the decision will be made. But there are other new weapons, including the SS-20, much more threatening to the balance that presently exists.

Q. You said that you have agreed to expand the agricultural credits to Poland. In talking with us the other day, your advisers have linked that with a human rights concern, namely, that the reunification of families between the Eastern and Western blocs be improved in Poland. Have the Poles agreed to do that? Have they given you any satisfaction that this, too, would be done?

A. One of the first subjects which I discussed with First Secretary Gierek in our private talks today was the reunification of families between Poland and the United States. In the last 4 years there have been about 15,000 Poles who have been permitted to emigrate to our country. We still have about 250 families—we call them nuclear families, that is, a father, mother, and children—who desire to be unified, and permission has not yet been obtained.

First Secretary Gierek said that he would give his own personal attention to alleviating this problem. And he di-



With Jordanian King Hussein and the Shah and Shahbanou in Tehran

rected his Foreign Minister and I directed our Secretary of State to proceed with this discussion during this afternoon. Their assurance was that our concern would be alleviated.

ARRIVAL, TEHRAN, DEC. 31⁶

His Imperial Majesty

Mr. President, on behalf of the Shahbanou and myself and the Iranian people, I welcome you, Mrs. Carter, and your delegation on Iranian soil.

We cherish your arrival as the head of state of a country with which Iran always had unshakable bonds and the best of relations and at the same time as an exalted friend and a most esteemed guest.

We sincerely hope that you will take back with you happy memories of your short visit to our country, and in the meantime we sincerely hope that all the stages of your present trip will be marked by the best of successes.

For the Shahbanou and I, it is a great pleasure to be your host only a few weeks after our trip to your country. Your distinguished personality, sincerity, good will, moral virtues, your hospitality, and also the kindness of Mrs. Carter have remained close to our hearts.

On behalf of all the people of Iran, welcome to our country.

President Carter

My own nation has been blessed this year by an official visit of His Imperial Majesty, the Shah, and by the Shahbanou, Empress Farah. This was a

fine gesture of friendship. And we all benefited from extensive discussion between the Shah and myself of important issues for Iran and for the United States. I am proud and pleased to be able to come to Iran at the end of the year, my first year in office, and, I believe, your 37th year as a leader of the great nation and to begin another new year with our close friends and allies.

In these times of endings and beginnings, I look forward to consulting with the Shah about two of the issues that have most dominated our thought in the year just past and will require our best actions in the years ahead.

One is finding solutions to the economic problems of the world's rich and the world's poor. None of these problems is more important than that of energy. Neither producer nor consumer nations can survive and prosper if we recklessly exhaust the world's limited supplies of oil, and neither group of nations can solve the problem without the cooperation of the other. It is because my nation takes this problem seriously that we are determined soon to have a comprehensive energy plan designed to eliminate waste and to develop alternate sources of energy supplies. We are cooperating closely with Iran, and it is because I respect the leadership of the Shah in this area that I have come here for consultation and for advice.

The other great issue is bringing peace to the troubled areas of the world and turning back the rising tide of armaments and dissension. The Shah and I share the hope that peace will come soon to the Middle East and that as a military alliance remains unshakable we may help to reduce the level of tension and armaments throughout the world.

The interests of our nations are built on the interests of individuals. And in the course of our discussions, both public and private, we emphasize guaranteeing our citizens the fullest economic and political human rights.

I come with warm, personal feelings for the leaders of Iran, and I bring best New Year greetings from the United States for the people of this great country.

Thank you very much, Your Majesty, for this warm and hospitable welcome.

REMARKS TO INDIAN PARLIAMENT, NEW DELHI, JAN. 27

I stand before you in this house, the seat of one of the world's greatest legislatures, with feelings of profound friendship and respect.

I bring with me the warm greetings and good wishes of the people of the second largest democracy on Earth, the United States of America, to the people of the largest democracy, the Republic of India.

Not long ago, both of our people's governments passed through grave crises. In different ways, the values for which so many have lived and died were threatened. In different ways, and on opposite sides of the world, these values have now been triumphant.

It is sometimes argued that the modern industrial state—with its materialism, its centralized bureaucracies, and the technological instruments of control available to those who hold power—must inevitably lose sight of the democratic ideal.

The opposite argument is made even more frequently. There are those who say that democracy is a kind of rich man's plaything and that the poor are too preoccupied with survival to care about the luxury of freedom and the right to choose their own government.

This argument is repeated all over the world—mostly, I have noticed, by persons whose own bellies are full and who speak from positions of privilege and power in their own societies.

Their argument reminds me of a statement made by a great President of the United States, Abraham Lincoln. He said, "Whenever I hear anyone arguing for slavery, I feel a strong impulse to see it tried on him personally."

The evidence, both in India and in America, is plain. It is that there is more than one form of hunger, and neither the rich nor the poor will feel satisfied without being fed in body and spirit.

Is democracy important? Is human

freedom valued by all people?

India has given her affirmative action and answer in a thunderous voice, a voice heard around the world. Something momentous happened here last March—not because any party in particular won or lost, but rather, I think, because the largest electorate on Earth freely and wisely chose its leaders at the polls. In this sense, democracy itself was the victor in your country.

Together, we understand that in the field of politics, freedom is the engine of progress. India and America share practical experience with democracy.

We in the United States are proud of having achieved political union among a people whose ancestors come from all over the world. Our system strives to respect the rights of a great variety of minorities, including, by the way, a growing and productive group of families from your own country, India.

But the challenge of political union is even greater here in your own country. In the diversity of languages, religions, political opinions, and racial and cultural groups, India is comparable to the continent of Europe, which has a total population about the same size as your own. Yet India has forged her vast mosaic of humanity into a single great nation that has weathered many challenges to survival both as a nation and as a democracy. This is surely one of the greatest political achievements of this century or any other century.

India and the United States are at one in recognizing the right of free speech—which Mahatma Gandhi called "the foundation-stone of *Swaraj*" or self-government—and the rights of academic freedom, trade union organization, freedom of the press, and freedom of religion.

All these rights are recognized in international covenants. There are few governments which do not at least pay lip service to them. And yet, to quote Gandhi once more, "No principle exists in the abstract. Without its concrete application it has no meaning."

In India, as in the United States, these rights do have concrete application, and they have real meaning, too. It is to preserve these rights that both our nations have chosen similar political paths to the development of our resources and to the betterment of the life of our people.

There are differences between us in the degree to which economic growth is pursued through public enterprise on one hand and private enterprise on the other hand. But more important than these differences is our shared belief that the political structure in which development takes place should be democratic and should respect the human

rights of each and every citizen in our countries.

Our two nations also agree that human needs are inseparable from human rights; that while civil and political liberties are good in themselves, they are much more useful and much more meaningful in the lives of people to whom physical survival is not a matter of daily anxiety.

To have sufficient food to live and to work; to be adequately sheltered and clothed; to live in a healthy environment and to be healed when sick; to learn and to be taught—these rights, too, must be the concerns of our governments. To meet these ends, orderly economic growth is crucial. And if the benefits of growth are to reach those whose need is greatest, social justice is critical as well.

India is succeeding in this historic task. Your economic challenges are no secret, and their seriousness is well understood in the West.

But what is far less well understood is the degree to which Indian social and economic policy has been such a success. In the single generation since your independence was gained, extraordinary progress has been made.

Economic Progress

India is now a major industrial power. Your economy ranks among the 10 largest in the whole world. You are virtually self-assured and self-sufficient in consumer goods and in a wide variety of other products, such as iron and steel.

There have been notable increases in production in nearly every important sector of your economy—increases which reflect an economy of great technological sophistication. This kind of growth is doubly important to try to reduce trade barriers and to promote both bilateral trade and mutual responsibility for the whole world's trading system.

But most important are the advances in human welfare that have touched the lives of ordinary Indians. Life expectancy has increased by 20 years since your independence. The threat of major epidemics has receded. The literacy rate in your country has doubled. While only a third of Indian children went to school in the years just after independence, nearly 90% of primary-age Indian children now receive schooling. Nine times as many students go to universities as they did before.

I mention these gains that we tend to overlook in our preoccupation with the problems that quite properly face and engage our attention.

India's difficulties, which we often



In "Carter-Poori"

experience ourselves and which are typical of the problems faced in the developing world, remind us of the tasks which lie ahead.

But India's successes are just as important, because they decisively refute the theory that in order to achieve economic and social progress, a developing country must accept an authoritarian or a totalitarian government with all the damage to the health of the human spirit which comes with it.

We are eager to join with you in maintaining and improving our valuable and mature partnership of political and economic cooperation.

It's a sobering fact, for instance, that in a nation of so many hundreds of millions of people, only a few American business leaders are now involved, on a daily basis, in the economic and commercial life of your country.

We need to identify more areas where we can work together for mutual benefit and, indeed, for the benefit of the whole world.

In the area of development, I am deeply impressed with the creative direction that the Government of India has taken in the new economic statement. You have committed your nation unequivocally to rural improvement and the creation of rural employment. This policy now faces a test of im-

plementation and, especially, the test of bringing its benefits to the very poorest areas of your rural population. The seriousness and the determination, however, of your commitment is a cause for optimism.

We want to learn from you and to work with you however we can.

Agricultural Productivity

In agriculture, there are also exciting new areas of technology on which we can work together. After a decade of importing grain, India now stands with a surplus of nearly 20 million tons. This is a tribute to the growing productivity of your agriculture and the competence, also, of your administrative services.

We applaud the grain reserve program that you've begun, and we would welcome the opportunity to share with you our resources and our experience in dealing with storage problems that surpluses bring with them.

Our countries must be in the forefront of the effort to bring into existence the international food reserve that would mitigate the fear of famine in the rest of the world. At the same time, we must recognize that today's surpluses are likely to be a temporary phenomenon. The best estimates indicate that

unless new productive capacity is developed, the whole world, with its rapidly growing population, may be facing large food shortages in the mid-1980's.

The greatest opportunities to increase agricultural productivity exist here in India and elsewhere in the developing world. These opportunities must be seized not just so that India can eat better but so that India can remain self-sufficient and, perhaps, even continue to export food to countries with less agricultural potential than they have.

In the past, America and India have scored monumental achievements working together in the agricultural field. But there is still a vast, unrealized potential to be tapped.

I would like to see an intensified agricultural research program aimed both at improving productivity in India and at developing processes that could then be used elsewhere. This program could be based on the agricultural universities of our two countries but would also extend across the whole frontier of research. And beyond research, I would like to identify joint development projects where research can be tested and put to work. Perhaps Prime Minister Desai and I may now instruct our governments to focus on these matters and to come up with specific proposals within the next few months.

One of the most promising areas of international cooperation, which I have already discussed with your Prime Minister, is in the regions of eastern India and Bangladesh, where alternating periods of drought and flood are cruelly into food production. Seven hundred million people live in this area. They happen to be citizens of India, Bangladesh, and Nepal.

Great progress has already been made between your nations in resolving questions concerning water. And we are prepared to give our support where the regional states request a study that will define how the international community, in cooperation with the nations of South Asia, can help the peoples of this area use water from the rivers and the mountains to achieve the productivity that is inherent in the land and the people.

Energy Resources

Sustained economic growth requires a strong base in energy as well as in agriculture. Energy is a serious problem in both our countries, for both of us import oil at levels that can threaten our economic health and expose us even to danger if supplies are inter-

opted. American firms are already working with Indians in developing the oil-producing area off the shores of India, near Bombay.

We also have a long record of cooperation in the development of nuclear power, another important element of India's energy plans. Our work together will continue in this field, as well. This is a cold, technological subject. But Prime Minister Desai and I had warm and productive discussions about this field. We have notified him that shipments of nuclear fuel will be made for the Tarapur reactor. And because of an accident that did occur in your heavy water production plant, we will make available to India, also, supplies from our reserves of heavy water.

Additionally, we stand ready to work with you in developing renewable energy resources, especially solar energy. There is no shortage of sunlight in India. And the lack of a massive, existing infrastructure tied to fossil fuel use will make the application of solar and solar-related energy vastly easier here than it will be in my own country, where we are so heavily dependent upon other sources of energy. However, the inherently decentralized nature of solar energy makes it ideal as a complement to your government's stress on developing self-reliant villages and communities.

The silent void of space may seem remote from these challenges. But the intricate electronics of a space satellite can be as useful to earthbound farmers as a new plow.

The Indian and American Governments will tomorrow exchange diplomatic notes confirming that the United States will program its LANDSAT earth resources satellite to transmit data directly to a ground receiving station that India will own and operate.

This satellite service will provide India with comprehensive topographic and minerals information and timely data on the ever-changing condition of weather, agricultural, water, and other natural resources. Under the terms of the agreement, India will make available to neighboring countries any information that affects them.

Also, India has already reserved space on board the American space shuttle in 1981 to initiate a domestic communications satellite system, using a satellite designed to Indian specifications.

We are very pleased that our space technology, together with India's superb space communications capability, will serve the cause of practical progress in your country.

Shared Interests and Obligations

Our scholarly exchanges have already enriched the lives of Americans who participated in them. And I hope the same has been true of Indian participants.

In matters of culture and the arts, we know how much we have to gain. Not only India but also the rest of Asia and Africa and the Middle East have much to offer us. I hope to expand the opportunities for our own citizens to appreciate and to enjoy the strong and varied culture in the nations of your part of the world.

In global politics, history has cast our countries in different roles. The United States is one of the so-called superpowers; India is the largest of the nonaligned countries. But each of us respects the other's conception of its international responsibilities, and the values that we do share provide a basis for cooperation in attacking the great global problems of economic justice,

human rights, and the prevention of war.

This pursuit of justice and peace and the building of a new economic order must be undertaken in ways that promote constructive development rather than fruitless confrontation. Every country will suffer if the North-South dialogue is permitted to founder.

Because India is both a developing country and also an industrial power, you are in a unique position to promote constructive international discussion about trade, energy, investment, balance of payments, technology, and other questions. I welcome your playing this worldwide leadership role.

I know that there will be times when we will disagree on specific issues and even on general approaches to larger problems. But I hope and believe that our shared interests and our common devotion to democratic values will help us to move toward agreement on important global and bilateral issues.

But neither of us seeks to align with

DELHI DECLARATION, JAN. 3⁷

India and the United States of America, despite differences of history and culture, are one in the recognition that the ultimate sanction of power and of public policy rests in the respect for the dignity and well-being of the individual. Regardless of race, sex, religion or social status, every human being is entitled to life and liberty, to freedom from want and, without threat or coercion, to freedom of expression and worship.

We share an unwavering faith in the democratic form of government, which guarantees to all citizens fundamental freedoms under law and the right to choose their representatives and determine their own future.

At the same time, we believe that a cooperative and stable world order depends on the right of each people to determine its own form of government and each nation its own political, social and economic policies.

We are gratified that the process of decolonization has democratized the international state-system, giving most nations for the first time an opportunity to participate in making decisions relating to international peace and cooperation.

The disparities in economic strength that exist among nations must be bridged and a more equitable international economic order fashioned if we are to secure international peace.

We recognize that broad economic development is essential for a modern state, but also that such progress is hollow if its benefits do not reach all the people.

The present-day world commands scientific and technological skills to enrich the quality of life and give greater social justice within and among nations. We call on an inter-dependent community of nations to work together to protect and nurture the common heritage of our planet's resources and environment.

We declare that war is not an acceptable means to settle political disputes. Our countries will do their utmost to resolve disputes with others amicably and, within the framework of the United Nations, to help in resolving the disputes of others.

The spectre of war has hung over the world for too long. Existing stockpiles of nuclear weapons must be reduced and eventually eliminated, and the danger of proliferation of nuclear weapons must be arrested. Further, every effort must be made to progressively reduce conventional arms and to redirect the productive forces so released to the betterment of mankind. We commit ourselves to work towards these ends.

Beyond the realms of politics and economics, the world today affords opportunities for freer and fuller intellectual and scientific exchanges. Freedom of ideas and the promotion of cultural and artistic interplay, in a world where the mind is without fear, can create an environment where tolerance and understanding can flourish.

Beyond the traditional ideas of state-craft, Indians and Americans recognize an obligation to themselves and to others that ends can never justify evil means. Nations, like individuals, are morally responsible for their actions.

the other except in the pursuit of peace and justice. We can even help each other to alleviate differences which might exist between ourselves and other nations.

Our two countries are part of a democratic world that includes nations in all stages of development, from Sweden and Japan to Sri Lanka and Costa Rica.

We share many common problems. But we also share an obligation to advance human rights—not by interfering in the affairs of other nations, not by trying to deny other nations the right to choose their own political and social system, but by speaking the truth as we see it and by providing an admirable example of what democracy can mean and what it can accomplish.

The danger of war threatens everyone, and the United States is trying to help reduce that danger—in the SALT negotiations with the Soviet Union, in talks aimed at a comprehensive ban of the testing of all nuclear explosives anywhere on Earth, and in our own policy of restraint on conventional arms transfers. We are also working hard to restrict the proliferation of nuclear explosives.

We are seeking to help the process of peace in Africa and the Middle East. And we are taking steps to forestall, along with the Soviets, great power rivalry and the escalation of military presence in your own Indian Ocean.

India is pledged to peaceful cooperation with your neighbors, and India is an important part of almost any U.N. peacekeeping force. India is a present and frequent member of the Security Council and has been in the forefront

of campaigns against colonialism and against apartheid.

The motto of my country is "In God We Trust"; India's is *Satyameva Jayate*—"Truth Alone Prevails." I believe that such is the commonality of our fundamental values that your motto could be ours, and perhaps our motto could also be yours.

Our nations share the goals of peace in the world and human development in our own societies. And we share, as well, the conviction that the means that we employ to reach these goals must be as much in keeping with the principles of freedom and human dignity and social justice as are the goals themselves.

This affinity of belief is as strong a tie as there can be between any two nations on Earth. The values that Americans and Indians share have deeply affected my own life. I come to you, as a national leader, yes, in the hope that my visit will mark a new and a higher stage in the steadily improving relations between our two countries. But in a more personal sense—a sense that is very close to my own heart—I come also as a pilgrim.

This morning I had the honor of laying a wreath on the memorial to Mahatma Gandhi. In that sacred place, so simple and so serene, I recalled anew the ways in which Gandhi's teachings have touched the lives of so many millions of people in my own country.

When I was growing up on a farm in the State of Georgia, in the heart of the southern United States, an invisible wall of racial segregation stood between me and my black classmates, schoolmates, playmates, when we were

old enough to know what segregation was. But it seemed then as if that wall between us would exist forever.

But it did not stand forever. It crumbled and fell. And though the rubble has not yet been completely removed, it no longer separates us from one another, blighting the lives of those on both sides of it.

Among the many who marched and suffered and bore witness against the evil of racial prejudice, the greatest was Dr. Martin Luther King, Jr. I was a son of Georgia and a spiritual son of Mahatma Gandhi.

The most important influence in the life and work of Dr. King, apart from his own religious faith, was the life and work of Gandhi. Martin Luther King took Gandhi's concepts of nonviolence and truth-force and put them to work in the American South.

Like Gandhi, King believed that truth and love are the strongest forces in the universe. Like Gandhi, he knew that ordinary people, armed only with courage and faith, could overcome injustice by appealing to the spark of good in the heart even of the evildoer.

Like Gandhi, we all learned that a system of oppression damages those at the top as surely as it does those at the bottom. And for Martin Luther King like Mahatma Gandhi, nonviolence was not only a political method, it was a way of life and a spiritual path to unity with the ultimate.

These men set a standard of courage and idealism that few of us can meet but from which all of us can draw inspiration and sustenance.

The nonviolent movement for racial justice in the United States, a movement inspired in large measure by the teachings and examples of Gandhi and other Indian leaders—some of whom are here today—changed and enriched my own life and the lives of many millions of my countrymen.

I am sure you will forgive me for speaking about this at some length. I do so because I want you all to understand that when I speak of friendship between the United States and India I speak from the heart as well as the head. I speak from a deep, firsthand knowledge of what the relationship between our two countries has meant in the past and how much more, even, it can mean for all of us in the future.

For the remainder of this century and into the next, the democratic countries of the world will increasingly turn to each other for answers to our most pressing common challenge: how our political and spiritual values can provide the basis for dealing with the social and economic strains to which they will unquestionably be subjected.

Departure from Riyadh



The experience of democracy is like the experience of life itself—always changing, infinite in its variety, sometimes turbulent, and all the more valuable for having been tested by diversity.

We share that experience with you, and we draw strength from it. Whatever the differences between my country and yours, we are moving along the path of democracy toward a common goal of human development. I speak for all Americans when I say that I am deeply grateful that you and I travel that road together.

ARRIVAL, RIYADH, SAUDI ARABIA, JAN. 3⁸

President Carter

Mr. President, I welcome Your Excellency in our country as a great friend, and I thank you for your efforts to find a just and lasting solution for the problem of the Middle East. I wish your Excellency a pleasant stay in this friendly country and success in your trip and commendable endeavors.

President Carter

Alsalamu elkum. Peace be unto you. The primary purpose of my trip and my visit is peace.

The first meeting between the leaders of Saudi Arabia and the United States of America was when President Franklin Roosevelt came to the Gulf ofuez to meet with King Abdul Aziz. His friendship has now grown to encompass the millions of people in our two nations. We work together now, and we plan together for the future. The ties which bind us together are strong and unbreakable.

Although our time here is all too brief, I have already learned much from Crown Prince Fahd [bin Abdul Aziz, First Deputy Prime Minister], Prince Sa'ud [bin Faisal, Saudi Foreign Minister], and other leaders from Saudi Arabia who have recently visited me in my own country. Now I am glad to meet with Your Majesty for close consultation on matters of great mutual interest to our people.

As Your Majesty has already said, a most important subject which will be discussed is the early achievement of a just and lasting peace in the Middle East.

I recall the traditional Arabic welcome, *Ahlan wa sahlan*. It is beautiful and simple. And my understanding is that it means, "You are among your own people, and your steps will be unimpeded." Seeing the generosity of



With President Sadat

this welcome, I feel that I am among my own people and know that my steps will not be hindered, because I walk the same path as Your Majesty, King Khalid, toward a common goal of even greater friendship among our people, between our two countries, and of peace for all the people of the world.

Your Majesty, we are glad to be in your great country.

EXCHANGE OF REMARKS, ASWAN, JAN. 4⁹

President Sadat

I want to tell you that it is a very happy occasion for me and for my people, also, to receive our dear friend, President Carter, here on the Egyptian land. We would have liked that this visit would have lasted a bit longer, but we know his commitments.

We had a very intensive and fruitful talk upon the whole arena—in particular, the conflict here in the Middle East and the whole international position and our bilateral relations. I am very happy to say that our views were identical, and we have agreed upon certain steps to keep the momentum of the peace process.

All I ask is let us have in a very short time the opportunity to welcome President Carter and to show him the gratitude of my people and myself.

In the same time, may I say that in the peace process we welcome all the parties concerned. And they are welcome whenever they find it convenient to them, because this time, as I have already repeated before, we are head-

ing toward peace and real peace in the area, permanent peace.

President Carter

It is an honor and a pleasure for us to be in this great country, led by such a strong and courageous man.

Mr. President, your bold initiative in seeking peace has aroused the admiration of the entire world. One of my most valued possessions is the warm, personal relationship which binds me and President Sadat together and which exemplifies the friendship and the common purpose of the people of Egypt and the people of the United States of America.

The Egyptian-Israeli peace initiative must succeed, while still guarding the sacred and historic principles held by the nations who have suffered so much in this region. There is no good reason why accommodation cannot be reached.

In my own private discussions with both Arab and Israeli leaders, I have been deeply impressed by the unanimous desire for peace. My presence here today is a direct result of the courageous initiative which President Sadat undertook in his recent trip to Jerusalem.

The negotiating process will continue in the near future. We fully support this effort, and we intend to play an active role in the work of the Political Committee of Cairo, which will soon reconvene in Jerusalem.

We believe that there are certain principles, fundamentally, which must be observed before a just and a comprehensive peace can be achieved.



With West German Chancellor Helmut Schmidt in Aswan

- First, true peace must be based on normal relations among the parties to the peace. Peace means more than just an end to belligerency.

- Second, there must be withdrawal by Israel from territories occupied in 1967 and agreement on secure and recognized borders for all parties in the context of normal and peaceful relations in accordance with U.N. Resolutions 242 and 338.

- Third, there must be a resolution of the Palestinian problem in all its aspects. The problem must recognize the legitimate rights of the Palestinian people and enable the Palestinians to participate in the determination of their own future.

Some flexibility is always needed to insure successful negotiations and the resolution of conflicting views. We know that the mark of greatness among leaders is to consider carefully the views of others and the greater benefits that can result among the people of all nations which can come from a successful search for peace.

Mr. President, our consultations this morning have reconfirmed our common commitment to the fundamentals which will, with God's help, make 1978 the year for permanent peace in the Middle East.

REMARKS AT THE PALAIS DES CONGRES, PARIS, JAN. 4¹⁰

This afternoon I laid a wreath, along with the President of France, on the grave of the soldier who commemorated the bravery of the French people. And standing on my left was a group of men in the same regiment who fought with George Washington at Yorktown 200 years ago.

When our democracy was born, France was there. And for more than 200 years, our two nations have shared the same ideals and the same culture.

There is one belief above all others that has made us what we are. This is the belief that the rights of the individual inherently stand higher than the claims or demands of the state. This is the message that the American and French peoples, each in turn, carried forward to the world two centuries ago, and these are the values which the world still depends upon us to affirm.

Democracy was then a new and an untried concept. Now it is a standard for our Western civilization. The American Declaration of Independence, inspired so greatly by French philosophy, spoke of the "unalienable rights" of persons, of life and liberty and the pursuit of happiness. These rights were controversial then, and now they are the measure by which the faithfulness of governments is tested. Democracy is indeed a compelling idea, an idea so attractive that even its enemies now attempt to cloak repression with false democratic labels.

But our democratic order has come under challenge. There are those who question whether democratic values are appropriate for contemporary circumstances. Voices in the developing world ask whether notions of free speech, personal liberty, freely chosen governments should not be pushed aside in the struggle to overcome poverty. Voices in the industrialized world ask whether democracy equips us for the frenzied pace of change in our own modern lives.

We've heard warnings that a democratic society cannot impose on itself the restraint and self-discipline which is necessary to cope with persistent economic problems. We've heard that the disparate elements of our societies cannot cohere in a democratic system. Governments everywhere have begun to seem remote and impersonal, incompetent. Many people question whether any government can hear their distant and solitary voices.

These problems are real, and we must admit their existence. But we must also bear the burden that democratic society imposes on those like us who are part of it. That is to proclaim our unshaken faith in the values of our democratic nations and our belief that those values are still relevant—to the rich and the poor, the North and South, East and West, as constant now as they were when our forebears signed the Declaration of Independence and your forebears proclaimed the Declaration of the Rights of Man.

We defend these values because they

are right, because there is no higher purpose for the state than to preserve these rights for its citizens. But we defend them also in the faith that there is no contradiction between preserving our democratic values on the one hand and meeting challenges which face our modern societies.

It's precisely when democracy is against difficult challenges that leaders must show firmness in resisting the temptation of finding solutions by nondemocratic forces.

This week, in India, I discussed a belief that only through respect for individual liberties can developing nations achieve their full economic and political potential. That is our faith. And India, the world's largest democracy—they are proving that it is still true.

Here in France we meet as industrialized powers to affirm that our confidence in a democratic future for the developed societies is equally strong.

Democracy is not merely right and just. It's also the system that is the most consistent with human nature. It is the most effective way to organize society for the common good.

Where the state dominates everything, only the narrow talents of the bureaucrat are free to flower. But in a pluralistic society that exists within democracy allows for a broad range to succeed—in government, in the arts, labor, in technology, in the sciences and in the marketplace as well.

Democracy unleashes the innate creative energy of each of us. We need look no further back than the last two decades to see unparalleled success. These years have been extraordinary for the time for France, for Western Europe, the United States, and other democratic nations.

France and its partners in Western Europe rose from the destruction of the turmoil of World War II to build economies and societies more thriving and productive than ever before and to regain positions of world leadership very rapidly.

Never have so many new jobs and so much new wealth been created or so much change in people's lives been managed so effectively and yet with so much freedom.

All of this is no accident. Nations with other political systems, in spite of their great human and natural resources, have not done as well.

And democracy protects us all against the excesses of modernization. It helps us constantly to reduce the rising complexity of modern life in human terms. At a time when the computer makes total state control more possible than ever—processing people

ke numbers—democracy stands guard, protecting the uniqueness of the individual.

This is why the great trend of emigration is from those states which deny basic rights to their people and toward the free nations of the West. That's why India, under the greatest trial and tension, has reaffirmed its commitment to rule by the people, and that's why Portugal and Spain and Greece have reinforced the ranks of Europe's democratic nations.

Need for Responsive Government

We do not fear the challenges which test our chosen form of government. But today we need a new agenda for democracy. The first task on this agenda is to devise ways in which government and social institutions can better and more quickly respond to the higher standards of leadership and service which are now being demanded by our people.

It's a time of testing. Already the varied experiments are underway, according to the unique traditions and needs of each individual country. In western Europe successful sharing of the fruits of economic growth at all levels has provided a way to help in society overcoming mounting social problems.

- In France you are making a young constitution work in balancing authority between the executive and the legislature.

- In some countries, like Germany and Scandinavia, there are continuing experiments in new forms of interrelationship between labor and management.

- The member nations of the European Community are planning to hold direct elections among the nations for the European Parliament.

- In my own nation, we are trying to reduce government regulation in areas better left to private enterprise or to the individuals.

- And in several nations, including some of our own, there is emphasis on strengthening the role of local government, on decentralizing power, and on working through voluntary associations to meet particular problems and needs.

In these and other ways we can make government more responsive, accountable, and also closer to the people, fostering a renewed sense of confidence in our national and in our local communities.

We can also find new answers to the old problems of combining freedom with responsibility. As President Giscard



Returning to Paris by train from Normandy

d'Estaing wrote in his book, "Towards a New Democracy": "The pluralism of power guarantees freedom. . . . Democratic progress does not result in disorder, but in a better balance of order within freedom and responsibility."

Economic Challenge

The second item on the new agenda for democracy is the economic challenge. We must not only restore growth, control inflation, and reduce unemployment; we must also demonstrate that our democratic economic system can adapt to the demands that are constantly changing and placed upon it. This means proving again that we have the self-discipline to pursue our future, no less than our current interests, so that contending domestic groups will not produce chaos and discord but a new harmony of effort for the common good.

It means increasing our efforts to insure that the fruits of economic growth reach all parts of society so that each individual will share in the benefits of economic progress. And it means using our resources to promote human development—not just growth for its own sake.

Our democratic economies now have unprecedented strength to meet this challenge. We have skilled work forces. We have productive plants and equipment, effective management, and the will and the means to cooperate closely with one another—both within nations and also among nations.

And in the free market we have a means of matching production to human needs that is swifter and more subtle than any computer, more sensi-

tive to society's requirements than any state committee.

My country is able and willing to join with its partners in building on that strength, to put the global economy on the path to growth and to rising prosperity. America's efforts will be directed toward maintaining the strength of the dollar, continuing steady progress against unemployment and inflation, and stimulating private investment.

This year we will cut taxes substantially for both business and consumers, and we'll take these steps primarily because they are in our own interests, but also because we recognize the importance of continued noninflationary recovery in the United States to the economies of the rest of the world.

We are working with our economic partners also in the Geneva trade negotiations to reach rapid agreement that will improve the open trading system, expand commerce, and create new jobs. And following the French example, we are hard at work on a comprehensive energy program which will lessen our imports of foreign oil, reduce undue dependence, and cut the deficit in our balance of trade.

France and America and the other industrial democracies are emerging from the economic recession of recent years. Some of us can turn our attention at once to noninflationary growth, like the United States. Others must first take painful measures simply to reduce inflation. As more nations are able to pursue higher growth, our economies will create more jobs, and unemployment will go down.

Confidence in steady growth will reduce pressures for trade restrictions, protectionism, make it easier for us to

adapt to changes within our societies, help us to make more efficient use of energy, and make it easier for countries with payments surpluses to open their markets to developed and developing nations alike.

But there are also many other economic needs today. The economic institutions that served us well in the past need to be strengthened. We must reach a better understanding of basic economic forces so that we can solve the problems simultaneously of inflation and unemployment. We've not yet been able to do this.

We must devote much greater effort to further advances in high technology to help all our nations compete effectively in tomorrow's markets.

We must develop new and productive industries and services so that we can moderate the impact on our peoples of change imposed by increased global competition for jobs and markets that's sure to come. And we must solve the problem of youth unemployment. Unless we do, an entire generation could be estranged from our democratic societies.

We must take steps to avoid exporting our economic difficulties to other nations, whether rich or poor. And we must use the tools of shared freedom to increase the choices and opportunities of our economic system. We can share our experience in social development, in education, health care, social services, and the organization and management of farms and factories.

At the heart of all these efforts is continued cooperation, along with our other economic partners, in such ways as the economic summits, which were first proposed by France. This cooperation should recognize the individuality of each nation, while acknowledging that our economic well-being will rise or fall together.

Mutual Security

The third task on the new agenda for democracy is to provide for our mutual security.

I come to France today recognizing that our two nations share a basic commitment to preserve our hard-won freedom. We are able, with our allies, to keep our freedom precisely because we are militarily strong.

Our central security system today and our central problem is maintaining our will to keep the military strength we need, while seeking at the same time every opportunity to build a better peace. Military power without detente may lead to conflict, but detente would be impossible without the NATO al-

liance and popular support for a strong defense.

Both France and America prove that the peoples of a democracy can and will support these joint goals of constant strength and also a commitment to peace. The commitment of the American Government and the American people to the security of Europe is absolute. There should be no doubt that we will maintain in Europe whatever forces are needed to meet that commitment. We are also grateful that France maintains and improves its forces that are essential for defense.

But we also see the need to move beyond confrontation, to resolve the differences between East and West, and to progress toward arms control and disarmament.

We are determined to seek balanced and mutual limits on both qualitative and quantitative deployment of nuclear weapons, and then substantial reductions, leading to the eventual elimination of nuclear weapons as a potential destructive force among the nations of the world.

We are determined to seek early agreement on a comprehensive ban of the testing of all nuclear explosives, both military weapons and also the so-called peaceful nuclear devices. And we are determined to seek a substantial reduction of the international commerce in conventional weapons.

We'll work with other nations to achieve the advantages which such agreements can bring. While the approaches of France and the United States to these issues may sometimes differ, our desire to build a more stable peace is one and the same. And in all these efforts, we will consult and cooperate closely with you and with our other allies, recognizing the independence of each nation but also our mutual interests and our mutual commitments.

European Community

The fourth task on democracy's new agenda is the effort of Europeans to shape your future. For the goal that you've set for yourselves, with your partners in the European Community, is nothing less than to transform—in an unprecedented fashion in history—and to improve relations among states with ancient traditions, unique histories, and legitimate pride in national achievement.

The United States will give its unqualified support to what you and your partners in the Nine are doing to strengthen European cooperation, for we see European strength and unity as a boon and not as a threat to us. The

real threat to the interests of us all would be economic weakness and disunity.

North-South Relations

The fifth and the final item on the new agenda for democracy is to cooperate among ourselves in adapting to global change. The same factors which led to our economic successes over the past two generations—science, technology, education, health, and the wisdom of our people—have also altered the interrelationship between the industrial democracies on the one hand and the developing world on the other.

European nations, individually or together, also have an increasing role to play beyond this continent, particularly in reordering relations between North and South.

It was less than 100 years ago that the European powers met and divided the continent of Africa among you, and yet today colonialism has nearly ended. Before World War II, 80% of the world's land mass and 75% of its people were under Western authority, but today there are more than 100 new nations, each with insistent needs and insistent demands. A few years ago the West made virtually all the decisions about the global economy, but now important resources are also under the control of the developing countries—as the energy crisis has made very clear. The councils of economic action can no longer be limited just to a few.

During this trip, I've seen how the developing nations are creating a new role for themselves in the world's economic system, redistributing global power, posing new global problems and assuming new rights and new responsibilities.

We've long understood that greater individual equality can bring forth greater prosperity in our domestic societies. But now we also see how greater equality among nations can promote the health of the global economy, including our own. No nation nor any small group of nations, can alone shape its destiny alone.

In proposing the North-South conference, President Giscard spoke of creating new forms of international cooperation. What he said then stands as a watchword of all our efforts together, and I quote him again: "(This should not constitute a victory for some countries over others, achieved by taking advantage of temporary power relationships. Rather it must be a victory of mankind over itself. . . ."

If we move in that spirit and direction

our efforts together to solving the problems that face the nations of the world, when we shall surely gain that victory of which he spoke. We will vindicate our deep and abiding faith in the strength of democracy to grow and to develop with the times.

Six days ago, I left the United States on a tour whose constant theme has been the universal vitality of democracy. In Poland, Iran, Saudi Arabia, Egypt, India, and now in France. I've emphasized that our modern struggle is not only to establish peace but also to protect the individual from abuse by the state.

Tomorrow, with President Giscard d'Estaing, I will leave Paris to visit the beaches at Normandy. If the names Omaha, Utah, Juno, Gold, and Sword will always live in the memories of both our peoples, it's because they remind us at what cost our liberties have been purchased and what a precious heritage has been left for us to attend and to defend. These names remind us that liberty is not secured with just one offense but must be struggled for again and again and again.

Our ancestors made their defense with principles and with revolution. People of my parents' generation, and of my own, bore arms in the name of freedom. Many of them were left at Normandy Beach and at the thousands of other shrines to liberty across the world.

Though we will always be prepared, we pray that their sacrifice in battle need never be repeated. And we know that war need not come again so long as we transmit our devotion to those values of free people, strengthened and renewed, to each succeeding generation that comes after us.

REMARKS, COMMISSION OF THE EUROPEAN COMMUNITIES, BRUSSELS, JAN. 6⁷

I am glad to meet with you today and to continue the discussions that began when my Administration was only a few hours old. Before my first week in office was over, Vice President Montale began his visit to our traditional allies, stopping first of all in Brussels, some of those international institutions that represent our shared hope for a secure and prosperous future.

As the first American President to visit the headquarters of the European Community, I believe this meeting symbolizes America's abiding commitment to a strong and united Europe and to the European Community.

It has been my pleasure to meet often

with the Community's leaders. In addition to meeting President Jenkins [Roy Jenkins, President of the Commission] both at the London economic summit and in Washington, I benefited from meeting with Prime Ministers Callaghan [of the United Kingdom] and Tindemans [of Belgium] during their countries' term in the presidency of the Council.

As I have traveled in these last 9 days, crossing continents and cultures, discussing different systems of politics and economics, seeing humanity in its full, diverse array, I have reaffirmed certain constant themes time after time. I have stressed the importance of democratic political values and the steps needed to defend them, the economic challenges we face in our relations with the developing world, and the need to cope with problems of our own. We must also open our hearts to improve the chances for peace, while always maintaining the strong right arm of our defense.

I have repeated these themes because they need repetition, because they express to the world the values my nation most deeply holds.

I am proud today to add another—that the United States welcomes a strong, united Europe as a common force for the values our peoples share. The United States will do its part to work with you.

Our economy is prosperous and growing, continuing its steady recovery. Because we have confidence in the fundamental strength of our economy, we have confidence in the fundamental strength of the dollar, now and for the future. But, we are also aware of the degree to which our own prosperity depends more than ever on international economic cooperation.

We are prepared to work with the Community in a wide variety of ways, in order:

- To promote the economic growth of nations so as to control inflation, reduce unemployment, and achieve monetary stability;
- To reach a rapid and successful conclusion to the multilateral trade negotiations and thus to expand international trade, create more jobs in all countries, and help us all resist protectionist pressures;
- To work creatively toward mutually beneficial relations with the developing nations;
- To cooperate in providing a role for nuclear technology in meeting our energy needs without hazarding our children's future through the threat of nuclear proliferation; and
- To find answers together to social

and economic problems facing each of our societies.

As I said in Paris 2 days ago, we must use the tools of shared freedom to increase the choices and opportunities in our economic system.

We can share our experience in social development—in education, health care, social services, the organization and management of factory and farm.

As the world's largest trading unit, the Community shares with us a clear interest in a successful conclusion to the multilateral trade negotiations. They are progressing well, though much remains to be done.

I welcome the success of the participating nations in reaching the goal set last May in London: substantial progress by the end of 1977. What has been achieved already should enable the negotiations to end this year. Speed is important if these negotiations are to improve the world trading system and remove pressure for protectionism.

We need a broad package of agreements, with major reductions in tariffs and nontariff barriers and with provisions for agriculture.

We know that each country will face problems of transition to a freer trading system. But those are a small price to pay for the benefits of more open trade. And they are small, too, in comparison to the danger of protectionism if we fail to reach a comprehensive agreement.

Our nations also share concern for developing comprehensive energy programs. Two months ago, I postponed my visit here to Brussels in order to do everything possible to enact an energy program in the United States. My country must waste less energy and develop alternative sources of supply. As soon as I return, I will resume work on this crucial legislation.

I am confident that the United States will soon be setting an example for responsible energy policy.

The European Community and the United States also share a deep interest in promoting relations with developing countries, and our cooperation has led to constructive results.

We must continue to work together to draw these countries more fully into the global economy. They too must be able to share more equitably in the benefits and responsibilities of global economic progress and to play an appropriate role in making global economic decisions.

We in the United States also welcome the growing political and economic role of the Community beyond Western Europe. The role of the Community contributes vitally to reaching goals we share. Most recently, I have

been particularly pleased by the close cooperation between us—and by the firm leadership shown by the members of the Community—at the Belgrade Review Conference on Security and Cooperation in Europe.

Finally, in stressing our commitment to European unity, I look forward to continuing a close and productive association between the United States and the European Community in the years ahead. And I can think of no more fitting tribute to what you are doing than to cite the words of Jean Monnet, the father of European unity: "You are not making a coalition of states; you are uniting peoples."

REMARKS, NORTH ATLANTIC COUNCIL, BRUSSELS, JAN. 6⁷

I am happy to meet again with the North Atlantic Council, after our successful discussions in London last May.

I come to see you at the end of a journey which has taken me to seven nations and which, from beginning to end, has reminded me of the causes for which our alliance was formed.

At every point on this journey, in East and West, in nations trying to cope with their poverty and those adjusting to the consequences of material wealth, I have emphasized the vitality of democratic rule, individual freedoms, human rights.

We in this hall understand those values well. Without them, the West stands for nothing at all. And we also know, too often from personal experience, the cost the defense of these liberties can demand.

Yesterday, I walked with President Giscard d'Estaing along the beaches of Normandy—as I might also have walked in Anzio, in Verdun, or here in Belgium in Flanders Field. If those names fill us simultaneously with mourning and with pride, it is because they remind us of the price that has been paid for our freedom before, the price we hope never to have to pay again.

No one who recalls those sacrifices can wish them ever to be repeated. The ancient soil of Europe bears constant, visible evidence of the carnage that war inevitably brings. In Warsaw, I saw brave people who have rebuilt much of the graceful city that war took from them; but what is new only emphasizes how much of the old was lost. Here in Belgium, too often the battlefield of Europe, every family knows of friends, homes, dreams that have been crushed by war.

That is the challenge for our alliance: to defend our values fearlessly, while tirelessly working to prevent war.

We know that the path to lasting peace depends on human understandings, negotiated agreements, acts of good will; the brave initiatives in the Middle East shine a ray of hope onto all international efforts. But we are united in believing that our defense must always be strong enough to deter any thoughts of aggression—that we must be prepared for combat we always hope to avoid.

When I met with the leaders of the alliance in London this past May, I was impressed with the allies' seriousness of purpose and by our common determination to prepare NATO for the challenges of the next decade.

At that meeting, we agreed to embark on four major efforts:

- Short-term measures to meet immediate military problems;
- A long-term defense program, surveying NATO's requirements in 10 specific areas;
- An East-West study to gain better understanding of trends in Eastern Europe and the Soviet Union, an overall assessment of Warsaw Pact power, and the implications for the NATO alliance; and
- Intensified effort to improve cooperation in defense procurement.

We have already taken major steps in all four areas. I was pleased by reports of the recent ministerial meeting of the Defense Planning Committee and the

Last stop Brussels—President Carter addresses NATO meeting



North Atlantic Council, and I look forward to the trans-Atlantic dialog on defense trade that the Independent European Program Group has proposed.

Together, we are setting the NATO alliance on a course that will reaffirm our shared commitment to peace, to a strong and vital alliance, and to meeting any challenge to our strength and cohesion in the years ahead.

The leaders of the alliance will have the opportunity to review the results of our efforts in a summit-level NATO conference this spring. I am happy to renew my invitation to the alliance to hold that meeting in Washington on May 30 and 31.

The defense budget that I will be submitting to the Congress later this month will provide for real increases in U.S. defense spending, more than compensating for the effects of inflation. Even more important, a major part of this effort will respond directly to our objectives in the long-term defense program and will improve the U.S. military commitment to the alliance.

The number of U.S. soldiers in Europe will increase by more than 8,000 in the next year and a half, and we will substantially improve our reinforcement capability.

We have made these efforts in the name of the alliance. We hope that with a far-reaching, realistic, long-term defense program, the alliance as a whole will match or exceed the improvements which we ourselves are now undertaking.

The United States will continue to maintain—undiminished—its firm commitment to NATO and will continue to provide the forces needed to back up that commitment.

We will continue to subscribe to the doctrine, strategy, and policies of the alliance, including forward defense and a flexible response.

We will work with you to maintain deterrence across the entire spectrum of strategic, theater nuclear, and conventional forces so that the Warsaw Pact states will know that all of us are united in commitment to defense of the territories of NATO members.

There will be no flagging of American will or ability to meet all of our NATO commitments, which have the firm support of the American people.

There are other responsibilities facing the alliance.

We have set an excellent record of consulting with one another on a wide range of issues. That can and should continue, and the United States will increasingly draw the NATO allies into its counsels.

As SALT II proceeds toward an agreement, which we hope will come soon, we will intensify our consultations with all of you, recognizing that the Council is the focus of our deliberations. As we move beyond SALT II, we will undertake broad discussions here on all allied security issues.

We must approach these issues together, as an alliance, and judge each question in the context of our overall security requirements for the next decade.

We must assure that our force planning and arms control strategies serve the same purpose. In seeking to reduce tensions and to build a more stable peace, the alliance should continue to give high priority to the mutual and balanced force reduction talks in Vienna. We believe our negotiating proposals would lead to a more stable military situation in central Europe, with lower force levels on both sides.

We in the alliance are prepared to be flexible in seeking progress toward a balanced outcome that protects our interests. But serious interest in moving the talks forward cannot be one-sided; we look for an equal commitment and contribution toward progress in the talks from the Warsaw Pact states.

Lastly, as allies, we must continue to promote our strength in other areas—economic, political, social, moral. It is precisely when the challenge to democracy is greatest that our leaders must most firmly resist nondemocratic solutions.

I have every confidence that the nations of the alliance, and NATO itself, will be more than equal to these tasks.

I return to the United States confident of the prospects for a peaceful world which respects human rights; I know that the security of our alliance is the rock on which that hope is built.

NEWS CONFERENCE (EXCERPTS), BOARD AIR FORCE ONE, JAN. 6⁷

Q. Would you give us your assessment of the trip and what you think you accomplished?

A. I wanted to project the image of a nation that stands for what is right and decent and good, strengthen the concept of democracy, both in the developing and the developed nations, try to make progress on resolving the Middle Eastern dispute. And one thing that involved everywhere I went was an expression of interest or concern on the part of the foreign leaders about how we were going to address the energy question.

Additionally, of course, I wanted to strengthen, if possible, the friendship in varying degrees that existed originally between our own nation and the other countries that we visited.

I had never been before to India or the Middle East—or the countries that we went to in the Middle East. These were the four or five things that I had in mind. I think we did a fairly good job.

Q. I know that's what you intended to do, but do you think you accomplished those? What, in particular, do you think you have accomplished?

A. There is no doubt that the friendship between ourselves and Poland, ourselves and India, ourselves and Saudi Arabia, ourselves and Iran, ourselves and Egypt, ourselves and France, and Belgium were enhanced. And this was accomplished.

I believe that we made some progress in the Middle East. So far as I know, there are no differences that separate us from Sadat, for instance. We reemphasized the same basic principles that we proposed 6 or 8 months ago to the Arab and the Israeli leaders. In this respect, the trip was successful.

I made two or three major speeches, too: one on democracy as it relates to the developing nations in the world under changing circumstances; the other one, democracy as it relates to the developed or industrialized nations in the world in changing circumstances. It's hard to say whether the speech has made any impact or not.

I think we also put forward the image of a nation that is strong and secure and self-confident but which doesn't have to prove our strength by taking advantage of other nations that are not so strong or forceful or secure as we are.

The personal relationships that I evolved between myself and the foreign leaders was very gratifying.

I would say the most emotional day was yesterday with the visit to Normandy and the reception of the people in Bayeux and the response of the French people along the streets of Paris and the tremendous crush of people that showed up last night at the Palais de Versailles. It was a very deeply moving experience.

Q. Do you think that there were a couple of gaffes—I guess it's the word?

A. Yes. There were.

Q. In the Polish translation, the open mike in New Delhi—did that cause you any problems in dealing

with the leaders, or will it cause any permanent problem in relations with these countries?

A. Both were inadvertent, of course. Gierek, I thought, made a very fine statement afterward. He said, "In Poland we don't criticize women or translators." [Laughter] That happened the first time I met Gierek, and afterward we had a very fine personal relationship. He never commented on it except just to smile and say, "Well, it was kind of ancient Polish and had a Russian influence." But I don't think it had any lasting effect.

And I have read the news reports of the statements of the Indian leaders after we left, and I think, perhaps, without trying to be overly optimistic, that it kind of helped me and [Prime Minister] Desai both. I was very forceful about our nonproliferation program, pointed out to him very frankly and bluntly that the Congress was likely to pass stringent requirements on fuel supplies in the future, with my approval. And I wanted him to know at least 18 months ahead of time that it would affect India.

And he and I made a joke of it several times after that in a perfectly easy way. And after we departed, their reports to the press were that it was a very constructive visit.

I think it showed Desai was, as I referred to him, adamant in the Indian position. We tried to evolve some solution to this potential conflict about international safeguards on production of nuclear power versus an adequate supply of fuel. One possibility that we will explore is that if we and the Soviets, the British, can conclude a comprehensive test ban, that this would be an adequate new factor to permit Desai to accept comprehensive safeguards without having to violate the principles of autonomy or independence.

But I regret that the open mike thing occurred. I can't mislead you about that. Between me and Desai, it was always a matter of humor and good reception. I think anybody that observed me and him closely saw that there was a genuine feeling of mutual respect.

Q. Let me just follow up here.

A. Please do. But it was a mistake.

Q. Yes, sir, it was probably a mistake, but was it a mistake because of the way the press operates or was it a mistake on your part?

A. It was a mistake on my part. I should have said "a very frank and factual letter" and not "a blunt and cold letter." But what I was trying to talk about to Cy Vance—obviously I had nothing of ill-feeling toward Desai—what I was talking about was it was a cold, technical subject, and it ought to

be described to the Indians in no uncertain terms so that they would know what to expect 18 months after the legislation takes place.

Q. I am intrigued that you—I don't want to belabor the Middle East episode, but it certainly did overshadow the trip in many ways; developments kept going—you say that—Sadat said that you have an identity of views, and you say that you don't seem to have any differences. Does that put you—and Sadat has differences with Begin—so where does that put you with Begin?

A. I read the news reports after my statement at Aswan, and Begin expressed approval of what I said. There is a fairly good agreement between Begin and Sadat on matters concerning the definition of peace.

Sadat told me that when he met in April with me in Washington and I outlined the three basic principles, one was complete peace between Egypt and Israel—open borders, diplomatic recognition, ambassadorial exchange, free trade, tourist and student and cultural exchanges. And he told me it would never happen in his lifetime, which he did—he told me that in April.

He told me the other morning in Aswan that he was completely wrong, that not only was he well accepted in Israel but he was a hero when he came back to Egypt, that when the Israeli negotiators came to Cairo, that they were embraced and the Egyptians wept. And he said to me, "My people were far ahead of me, and what you proposed in April that I thought was never possible has already proven to be possible." That's one aspect.

The withdrawal of Israeli forces from the West Bank, with minor exceptions on the western boundary, is a principle that we espoused back in February or March publicly. And I think this is still an acceptable approach to the Arabs, although publicly I wouldn't expect them to espouse it now because it violates, in effect, the statements in Rabat. They are able and, obviously, willing to speak for themselves. But this is something we've been very clear on.

The other question, the resolution of the Palestinian problem, I think, can be resolved with an interim solution for a joint administration. I don't want to be definitive about it, but possibilities including Israel, Jordan, the West Bank, Gaza Strip, Palestinians, perhaps the United Nations for a period of time, specifically outlined ahead of time, and then the right of the Palestinians to decide their own future between whether they should continue that kind of administration or affiliate with Jordan—

those are the kinds of principles that we have described very clearly and in writing beginning 8 months ago.

The details are going to be a problem. But on those expressions of principle, I don't know of any differences that separate me and Sadat.

Q. Do you call that self-determination?

A. Yes, I don't think it's—I have never thought and do not think that it's advisable for us, for the Middle Eastern countries, or for the world to have an independent Palestinian nation located between Israel and Jordan. I think they would be a target of subversion. I think there would be a concentrated influence, perhaps, exerted there by some of the more radical other leaders of the world. And I think that that Palestinian entity or homeland ought to be tied in at the least in a very strong federation or confederation with Jordan.

But now I want to say that's our preference. And if Israel and Jordan and the Palestinians and Egypt should work out something different, we would not object. But that's our position. And we made it very clear from the very beginning of my Administration to the Israelis and the Arabs that that's our preference.

Q. I was wondering, were there any unexpected gains or losses throughout the past 9 days?

A. That's hard to describe. You know, I'm not an objective analyst. But I felt that the progress we made with India was extraordinary.

Q. In what specific area?

A. Under Mrs. Gandhi, there is no doubt that the orientation of India, which has been an historic friend of ours, has been away from us, perhaps toward the Soviets.

I felt like Desai and his government has at least come back to a completely neutral or nonaligned position. And there was a genuine feeling of compatibility and friendship, based on deep religious convictions, a commitment to democracy, the principle of human rights, that was very encouraging to me.

It was more than I had anticipated. I don't want to analyze it myself, but the French news media have said that we have never had better relationships with France in this past hundred years than we have right now. I feel very close to Giscard d'Estaing.

I think the French outpouring of emotion and friendship toward us and the tremendous crowds that evolved on the streets of Paris—Giscard d'Estaing said that's a very rare occasion.

The French are almost as blase about foreign visitors as are the people in Washington, because it's such a center

for diplomatic visits. But I thought was a very good expression of friendship.

And as I said earlier, I thought the community of memories, of history expressed on the beach near Omaha yesterday was something that you can't anticipate and you can't contrive. I thought it was really genuine. There are a couple of things that impress me.

Rosalynn's and Dr. Brzezinski's visit with Cardinal Wyszyński showed that there's a pluralism in the Polish society that is not frequently acknowledged in an Eastern European country.

It's obvious that as far as the influence on the minds and hearts and futures of the Polish people that there's a sharing between a great religious leader and the political leader. And privately they expressed admiration for each other. And I think this is a good, kind of pleasant surprise to know more about the nations behind the Iron Curtain.

I think the curtain is being parted. I think it's a good step forward. We consummated an additional proper act today by returning the crown to Hungary.¹¹ We're not trying to drive a wedge between those Warsaw Pact nations and the Soviet Union. But we're trying to get them to look to us as friends who want peace, who recognize the horrible suffering that they've experienced, and who are building a basis for friendship and trade and mutual exchange.

We signed a nuclear agreement with the Iranians that will provide billions of dollars of trade for American industry, a lot of jobs for American people, that won't violate at all our nonproliferation policies.

There were some things that I hadn't really laid down on the agenda ahead of time that occurred. But it's hard for me to be objective about it.

Q. What about any kind of negative aspects? Were you surprised by anything that didn't go as well as you thought it might have?

A. No. I can't think of anything. It's perhaps you can.

Q. As a followup on your discussions about Poland, I have two questions: One is why didn't you yourself see Cardinal Wyszyński, and did you make any efforts to suggest to Mr. Gierak that he should allow his dissident journalists into your press conference?

A. Yes. We requested that the press conference be open ahead of time. That's his country. He made that decision. And I made the decision to comment on it publicly. And he made the decision, I presume, for my commitment to be published very freely in the

Polish newspapers and also on the television that evening.

We extended an invitation to Cardinal Wyszynski to come and meet with me. But he said it was not proper for a cardinal to come to pay his respects to me. So, we thought it was a good solution there, at the last moment I might say, for Rosalynn to accompany Dr. Przewinski, who had planned to see Cardinal Wyszynski all the time.

I wrote him a private message. He wrote me a little note, and it was a mutually beneficial thing. But I think the contact with him through Zbig and Rosalynn was adequate.

Q. Can you be more specific—maybe you don't want to be—on what you mean when you say Palestinians have the right to participate in their own self-determination?

A. I don't really want to spell out in any more detail what the procedure ought to be. Dayan [Foreign Minister Moshe Dayan of Israel] and Kamel [Foreign Minister Ibrahim Kamel of Egypt] will be meeting in Jerusalem on the 15th of January. Cy Vance will be there. We'll offer our good offices.

My own preference is that the Israelis and Egyptians negotiate that interim procedure with a final referendum themselves. We'll try to find some compromise between them. I think if we can evolve an acceptable set of principles, then it would be much easier for King Hussein and, perhaps later on, the Syrians to join in the discussions. I did not try to convince Hussein to participate now.

I feel and he feels also that Sadat is adequately representing the Arab position. And I think Sadat, in an almost unique way, not only has the trust of his own people and the rest of the world but also, to a substantial degree, the trust of the Israeli citizens.

All of us feel for now, until Sadat specifically requests it, that Hussein should stay out of the direct negotiations. The Shah will be supportive, the Saudis were very encouraging about the future, and Hussein, and we agree completely.

And so, I think that the present posture is a good one. But exactly how the vote should be handled or when or what the options might be offered to the Palestinians, I don't want to say. I don't know.

Q. Can I also ask you, do you think that as a result of your visit here, that Sadat's position with the hardline critics of the Arab world has been improved and that he's strengthened his hand as a result of this?

A. I don't think I would be violating my confidence to say that all the Arab

leaders with whom I met said they support Sadat unequivocally. Now, the feeling of Syria is something that I can't assess. I didn't happen to talk to Asad lately, but the feeling of Iraq and Libya and the more radical Arabs is obvious. They don't want peace to prevail. They don't want a settlement to be reached. They don't want the Geneva conference to be concluded. And many of them still have as a unique purpose the destruction of Israel.

I don't think that Asad or King Hussein or Sadat or the Saudis—the ones with whom I've talked—I don't think any of them feel that way. I think they all are perfectly willing to accept Israel now as a permanent entity in the Middle East, living in peace.

Q. Before we left, you said you were going to talk about human rights, and you certainly did, I think, just about every place we went. But since we were in Poland, where you told us about Gierek's commitment to you on emigration rights, I don't think we had any specific information that any of the leaders have given to you, any reaction to your own position. Is there anything specific? In particular I am thinking about Iran. Have there been any concessions that we haven't learned about?

A. No. Obviously, we don't seek concessions on human rights in Belgium or Egypt or France. In Iran, the Shah and I have had very all-encompassing discussions about human rights. I am not inclined to reveal the private conversations. But the basic question in Iran is the law that exists that outlaws the Communist Party and that outlaws communism are very similar to the laws that we have enforced in the past very rigidly. And this is the basis for the problem.

But the Shah is very deeply concerned about human rights, and I mentioned human rights in my statement in Iran. But we've seen in Iran, in many ways, the opening up of the rights of women, the welcoming of disparate religious and racial groups to Iran—a very fine movement forward, I would say, equivalent to what we've done in the last 20 years.

Q. Do you think you would have liked to have been Viceroy of India? [Laughter]

A. I don't know. I tried to learn while I was in India what their feelings are toward the British. And my sense was that they have a genuine appreciation of what the British did, that the viceroys' administrations were in gen-

eral very benevolent. There was no India before the British came. It was just a collection of a large number of independent states in all forms. The British brought the subcontinent together in unity.

After Gandhi's historic and unbelievable crusade, the British left with good spirits. They turned over the power to Nehru on their departure.

And they were very proud to take me to a room, for instance, where no American or European has ever been. It's a beautiful portrait gallery, underneath the palace where we stayed, of all the British viceroys and other administrators who had been there and their wives. Every portrait is, I'd say, twice life-size. And it's very beautifully done, and it shows the respect that the Indians feel toward the British. So, I didn't have any yearning to be a viceroy. [Laughter] I'd rather be President. [Laughter] I think the British left with a good feeling among the Indians. □

¹ Remarks by President Carter made on occasions during the trip other than those printed here are in the Weekly Compilations of Presidential Documents of Jan. 2 and 9, 1978.

² Vice President Mondale's remarks omitted (text from Weekly Compilation of Presidential Documents of Jan. 2).

³ Exchange of remarks were made at the Civilian Terminal, Okęcie International Airport. First Secretary Edward Gierek spoke in Polish (text from Weekly Compilation of Presidential Documents of Jan. 2).

⁴ Held in the Grand Ballroom at the Victoria Hotel. It was broadcast live via satellite on radio and television in the United States and was taped for broadcast later that evening in Poland. Several reporters spoke in Polish, and their questions were translated by an interpreter (text from Weekly Compilation of Presidential Documents of Jan. 2).

⁵ Issued at the conclusion of President Carter's visit (text from Weekly Compilation of Presidential Documents of Jan. 2).

⁶ Exchange of remarks were made at the Imperial Pavilion at Mehrabad International Airport (text from Weekly Compilation of Presidential Documents of Jan. 2). On Jan. 1 President Carter met with King Hussein I of Jordan in Tehran.

⁷ Text from Weekly Compilation of Presidential Documents of Jan. 9.

⁸ Exchange of remarks were made at Riyadh Airport. His Highness spoke in Arabic (text from Weekly Compilation of Presidential Documents of Jan. 9).

⁹ Made at Aswan Airport following their meeting (text from Weekly Compilation of Presidential Documents of Jan. 9).

¹⁰ Made before an audience invited under the auspices of several French-American business, civic, and cultural societies (text from Weekly Compilation of Presidential Documents of Jan. 9).

¹¹ The Crown of St. Stephen and other Hungarian coronation regalia were returned to the Hungarian people by a delegation headed by Secretary Vance at a ceremony in Budapest on Jan. 6.

State of the Union (Excerpts)

In our foreign policy the separation of people from government has been, in the past, a source of weakness and error. In a democratic system like ours, foreign policy decisions must be able to stand the test of public examination and public debate. If we make a mistake in this Administration, it will be on the side of frankness and openness with the American people.

In our modern world, when the deaths of literally millions of people can result from a few terrifying seconds of destruction, the path of national strength and security is identical to the path of peace.

Tonight I am happy to report that because we are strong, our nation is at peace with the world.

We are a confident nation. We've restored a moral basis for our foreign policy. The very heart of our identity as a nation is our firm commitment to human rights.

We stand for human rights because we believe that government has a purpose to promote the well-being of its citizens. This is true in our domestic policy; it is also true in our foreign policy. The world must know that in support of human rights, the United States will stand firm.

We expect no quick or easy results, but there has been significant movement toward greater freedom and humanity in several parts of the world. Thousands of political prisoners have been freed. The leaders of the world—even our ideological adversaries—now see that their attitude toward fundamental human rights affects their standing in the international community, and it affects their relations with the United States.

To serve the interests of every American, our foreign policy has three major goals.

U.S. Security

The first and prime concern is and will remain the security of our country. Security is based on our national will, and security is based on the strength of our armed forces. We have the will, and militarily we are very strong.

Security also comes through the strength of our alliances. We have reconfirmed our commitment to the defense of Europe, and this year we will demonstrate that commitment by fur-

ther modernizing and strengthening our military capabilities there.

Security can also be enhanced by agreements with potential adversaries which reduce the threat of nuclear disaster while maintaining our own relative strategic capability. In areas of peaceful competition with the Soviet Union, we will continue to more than hold our own. At the same time, we are negotiating with quiet confidence, without haste, with careful determination, to ease the tensions between us and to insure greater stability and security.

The Strategic Arms Limitation Talks have been long and difficult. We want a mutual limit on both the quality and the quantity of the giant nuclear arsenals of both nations—and then we want actual reductions in strategic arms as a major step toward the ultimate elimination of nuclear weapons from the face of the Earth. If these talks result in an agreement this year—and I trust they will—I pledge to you that the agreement will maintain and enhance the stability of the world's strategic balance and the security of the United States.

For 30 years concerted but unsuccessful efforts have been made to ban the testing of atomic explosives—both military weapons and peaceful nuclear devices. We are hard at work with Great Britain and the Soviet Union on an agreement which will stop testing and will protect our national security and provide for adequate verification of compliance. We are now making, I believe, good progress toward this comprehensive ban on nuclear explosions.

We are also working vigorously to halt the proliferation of nuclear weapons among the nations of the world which do not now have them and to reduce the deadly global traffic in conventional arms sales. Our stand for peace is suspect if we are also the principal arms merchant of the world. So we've decided to cut down our arms transfer to abroad on a year-by-year basis and to work with other major arms exporters to encourage their similar constraint.

Regional Security

Every American has a stake in our second major goal—a world at peace. In a nuclear age, each of us is threatened when peace is not secured

everywhere. We are trying to promote harmony in those parts of the world where major differences exist among other nations and threaten international peace.

In the Middle East we are contributing our good offices to maintain the momentum of the current negotiations and to keep open the lines of communication among the Middle East leaders. The whole world has a great stake in the success of these efforts.

This is a precious opportunity for a historic settlement of a longstanding conflict—an opportunity which may not come again in our lifetime. Our role has been difficult and sometimes thankless and controversial, but it has been constructive and it has been necessary and it will continue.

Economic Security

Our third major foreign policy goal is one that touches the life of every American citizen every day—world economic growth and stability.

This requires strong economic performance by the industrialized democracies like ourselves and progress in solving the global energy crisis. Last fall, with the help of others, we succeeded in our vigorous efforts to maintain the stability of the price of oil. Because as many foreign leaders have emphasized to me personally and, I am sure, to you, the greatest future contribution that America can make to the world economy would be an effective energy conservation program here at home. We will not hesitate to take the actions needed to protect the integrity of the American dollar.

We are trying to develop a more just international system. And in this spirit we are supporting the struggle for human development in Africa, in Asia and in Latin America.

Finally the world is watching to see how we act on one of our most important and controversial items of business—approval of the Panama Canal treaties. The treaties now before the Senate are the result of the work of four Administrations—two Democratic, two Republican. They guarantee that the canal will be open always for unrestricted use by the ships of the world. Our ships have the right to go to the head of the line for priority of passage in times of emergency or need. We retain the permanent right to defend the canal with our own military forces, if necessary, to guarantee its openness and its neutrality.

The treaties are to the clear advantage of ourselves, the Panamanians and the other users of the canal. Ratifying the Panama Canal treaties will

demonstrate our good faith to the world, discourage the spread of hostile ideologies in this hemisphere, and directly contribute to the economic well-being and the security of the United States.

There were two moments on my recent journey which, for me, confirmed the final aims of our foreign policy and what it always must be.

One was in a village in India where I met a people as passionately attached to their rights and liberties as we are but whose children have a far smaller chance for good health or food or education or human fulfillment than a child born in this country.

The other moment was in Warsaw, capital of a nation twice devastated by war in this century. There, people have rebuilt a city which war's destruction took from them; but what was new only

emphasized clearly what was lost.

What I saw in those two places crystallized for me the purposes of our own country's policy: to insure economic justice, to advance human rights, to solve conflicts without violence, and to proclaim in our great democracy our constant faith in the liberty and dignity of human beings everywhere.

□

¹ Address before a joint session of the Congress on Jan. 19, 1978 (for complete text, see Weekly Compilation of Presidential Documents of Jan. 23, p. 90). On Jan. 19 President Carter also transmitted a separate, more detailed State of the Union message to the Congress which describes Administration priorities in the areas not fully covered in his address; the complete text of that message is printed in the Weekly Compilation referred to above, p. 98. Also printed as H. Doc. 95-273.

News Conference of January 12 (Excerpts)¹

Much has been said about the messages that I carried on behalf of the American people to leaders of the nations which I visited on the recent trip. But it's also important to focus on the message that I received from them and brought back home.

They are looking to our country to see whether we have the will, the resolve to deal squarely with our energy problems, which are also becoming their problems. It's clear that our willingness to curb the enormous American national appetite for imported oil will be a consideration, for instance, in future OPEC [Organization of Petroleum Exporting Countries] oil prices.

As a nation, we are increasing our demands for foreign oil. We may have conservation forced on us by unexpected and rapid increases in oil prices in the future. Our consumers and our industries will pay more and more to foreign countries, and with those dollars that go overseas we are, in effect, exporting American jobs.

In Paris and in Brussels, our own allies expressed concern about whether we can and will enact strong energy legislation. If our own economy is not strong, if our strength is being sapped by excessive imports, then we can't provide the kind of leadership and stability on which the economic well-being of the Western democracies rests so heavily.

The United States has had, and is still faced with, a very large trade deficit which has led recently to exchange

market disorders and exchange rate speculation. It's clear that our heavy dependence on imported oil is a main part of our trade problem and that our failure to adopt a comprehensive energy program has badly weakened confidence in our ability to deal with that problem.

Almost every foreign leader stressed the importance of our energy program in terms of our responsibilities for international monetary order and the maintenance of the integrity of the dollar.

We all recognize that while the energy program will not reduce our oil imports overnight, that it will reduce our dependence on foreign oil over the long pull and also permanently. It would improve our trade position, our national economy, the strength of the dollar in a fundamental way.

I believe that we do have the resolve and the national will to deal with the energy problem. The debate in the Congress has been long and divisive and arduous. It has, at times, tried the patience of all of us. And delay has deferred action, unfortunately, on a number of other important national priorities.

But when we do succeed—and I believe we have an excellent chance to succeed early in this session—we will have accomplished something in which we can take pride, not just here at home but before the other nations of the world as well.

Q. Everywhere you traveled, except Poland, we were told that you and the leaders talked about Soviet and Cuban penetration in the Horn of Africa, but we only got very generalized and vague statements on this. Can you enunciate the depth of our concern, and what can we do about it except jawbone?

A. We've taken a position concerning Africa that we would use our influence to bring about peace without shipping arms to the disputing parties and without our injecting ourselves into disputes that could best be resolved by Africans, both those parties that are in dispute and the Organization of African Unity. The Soviets have done just the opposite.

They, in effect, contributed to the war that's presently taking place between Somalia and Ethiopia. They sold excessive quantities of arms and weapons both to Somalia and to Ethiopia. The war began using Soviet weapons, and now they are shipping large quantities of weapons, some men, and they are also dispatching Cubans into Ethiopia, perhaps to become combatants themselves. We have expressed our concern to the Soviets in very strong terms.

We have shared the concerns that we feel with the leaders that I have visited, both the cumulative group of countries that join with us in the NATO alliance, and specifically with France, the Middle Eastern countries, and India. We've had unanimous response from them sharing our concern about the Soviet Union's unwarranted involvement in Africa. I am very concerned about the loss of life now.

Our hope is that the Somalians might call publicly for negotiations to begin immediately to resolve the Ogaden dispute. One possibility, of course, would be to go to the Security Council of the United Nations or to the permanent members of the Security Council. But the basic negotiation ought to take place between those two nations themselves.

I think that there are things that we can do to express our concern publicly, to offer our good services in support of the African nations who are responsible, to support the Organization of African Unity, and in the United Nations to let our voice be heard. But I hope that we can induce the Soviets and the Cubans not to send either soldiers or weapons into that area and call for and achieve a rapid initiation of negotiations.

Q. When talking about the aggravation of oil imports, the U.S. Gov-

ernment's strategic petroleum stockpile—I think your decision is to acquire 1 billion barrels of oil—

A. That's correct.

Q. —on the world market. Now, the GAO [General Accounting Office] and others have recommended that we use oil we already own, in the Elk Hills Naval Petroleum Reserve, and that would save, I think, as you're going now, to about \$20 billion you're going to spend on foreign oil. We could reduce this by half, a \$10 billion saving, if we used our existing naval supplies. Why don't we do that?

A. We are, in effect, increasing the production of American oil to cut down on the amount that we have to purchase. At Elk Hills, at Teapot Dome, we're trying to increase the importing of oil to the continental United States from Alaska. We're trying to maintain the production of oil, sour oil, to some degree, in California in addition to reducing overall consumption of oil and energy and shifting to coal.

And at the same time, it's very important to us to have stability in the world oil market and protect us from some interruption in the future over which we have no control.

We've set a goal for ourselves that by 1985, we'll have a billion barrels of oil stored in a secure place in salt domes in the United States so that we can have an 8- or 10-month supply in case overseas oil is interrupted in coming to us.

The sum total of what we propose is to do exactly what you describe. Whether domestic oil actually goes into the supply system of our country and foreign oil goes into the underground storage is really of no consequence, because the overall consumption of oil plus the import or use of oil to build up our reserves is the factor that controls how much we import.

Q. My question is—what it goes to the point of—the \$10 billion savings. We already own the Elk Hills naval oil reserve.

A. When we sell that oil, if it's on the commercial market, the Federal Treasury gets the money back for that oil. So, there's just really swapping dollars. It may be very difficult to transport the oil from Elk Hills and identify a particular gallon or barrel of oil that has to go into a salt dome in Louisiana.

Q. They talked about swap arrangements, particularly with Japan. Japan would be very happy to have that very sweet Elk Hills oil, and they'd give us their Mideast oil.

A. I understand. But we're trying to

do what I've just said: build up the adequate supply of oil for reserve and cut down consumption and imports at the same time.

Q. When you were in Egypt meeting with President Sadat, President Sadat emerged from that meeting saying that your views and his on the Middle East were essentially identical. Does that mean that you think the Israelis should withdraw from all 20 settlements they have in the Sinai plus their West Bank settlements before there can be peace in the Middle East?

A. It's not for me to decide the specifics of an ultimate settlement, either between Israel and Egypt or Israel and Jordan or Israel and the other nations involved or the Palestinians.

I think that it's accurate that President Sadat and I see the Middle East question almost identically. I've not been involved and don't intend to get involved in the military settlement that's now being negotiated in Cairo. The position of our government is now and has been that Israeli settlements on occupied territory are illegal and that

they contravene the Geneva conference decisions that were made.

The U.N. Resolution 242 is the basis for the ultimate decision. All the nations involved have espoused 242, and 338 later on, which set up the Geneva conference with ourselves and the Soviets as chairmen. We have in the language that says Israel will withdraw from occupied territories.

Combined with that requirement though, is that Israel will have secure borders including a realization of security from the attitude of her neighbors. This is an extremely complicated subject as you well know. I can't say that on every specific instance that President Sadat and I will agree on details. We didn't discuss those details.

And I think that it's best for us just to add our good offices when we can support both men as they go to the negotiating table. Secretary Vance will be in Jerusalem with the foreign ministers of the two countries involved, and our position on the settlements has not changed.

¹ For full text, see Weekly Compilation of Presidential Documents of Jan. 16, 1978, p. 5.

War Powers Bill

Statement by President Carter¹

I am today signing H.R. 7738, an act "with respect to the powers of the President in time of war or national emergency."

H.R. 7738 is the result of a cooperative effort by the Congress and this Administration. Its broad purpose is to differentiate between those economic powers available to the President in time of war and those available in time of declared national emergency. The bill is largely procedural. It places additional constraints on use of the President's emergency economic powers in future national emergencies and insures that the Congress and the public will be kept informed of activities carried out under these powers. Enactment of the bill will not affect embargoes now being exercised against certain countries, nor does it affect the blockage of assets of nationals of those and other countries.

In approving the bill, I must note my serious concern over the provision con-

tained in section 207(b), which would allow Congress to terminate a national emergency declared by the President by concurrent resolution.

Provisions such as these raise profound constitutional questions, since Article I, Section 7, of the Constitution requires that congressional action having the force of law be presented to the President for his signature or veto. In addition, such provisions have the potential of involving Congress in the execution of the laws—a responsibility reserved exclusively to the President under the Constitution. This feature of the bill may be unconstitutional. I will therefore treat the provision as requiring only that I "notify and wait" with respect to national emergencies covered by section 207(b) of this act.

¹ Made on signing H.R. 7738 into law on Dec. 28, 1977 (text from Weekly Compilation of Presidential Documents of Jan. 2, 1978). As enacted H.R. 7738 is Public Law 95-223 approved Dec. 28.

THE SECRETARY: Foreign Policy Decisions for 1978 ¹

Our country, within sight and memory of some Americans still living, has been transformed from a largely agrarian society to the world's greatest industrial power—one in which economic, political, and social mobility are the accepted order of the day. The fantastic stories of Horatio Alger, as well as those of H. G. Wells, have come true. Of course, there is still poverty in America. There is still lack of sufficient opportunity for many. There is still discrimination.

But, day by day, and despite a few deplorable detours, we have held remarkably to the journey begun by our Founding Fathers—toward a new nation in a new world in which each citizen might stand free and equal beside his neighbor, able to make the most of his or her human potential.

When I am asked about the American people—as I often am by leaders of other countries—I say that as a people we have today a renewed faith in our old dreams, and this is something President Carter and I believe in very deeply. Because of who and what we are, both the basic interests and the deals of our people must be present in our foreign policy, or it will not be long sustained.

- We must maintain a defense establishment modern and strong enough to protect ourselves and our allies.
- We must protect American investment overseas and insure continuing access to vital raw materials.
- We must be strongly competitive economically so that American families can continue to enjoy their standard of living.
- We must maintain our close relations with our allies, while we seek at the same time improved contacts with our main competitor, the Soviet Union, and with the nonaligned nations.

All of this, and more, can be pursued—as we pursue our national interest—while still expressing the deeper ideals and aspirations that have led us to our remarkable economic and social progress here at home.

Our strength lies not only in our ideals but in the practical way we identify problems and work systematically toward their solution. We do the best when we are true to ourselves.

That is why America was at her best in the Marshall plan, why we have felt at home with Food for Peace and the

Peace Corps. That is why I find such broad public support for President Carter's emphasis upon human rights—including not only rights to the integrity of the person and political rights but the rights to food, clothing, shelter, housing, health, and education.

That is why, with all its difficulties, we have embarked on a course of diplomacy in the Middle East which may help bring peace to the people of that region.

That is why we are trying to help bring solutions—not our solutions but solutions through free elections—in Rhodesia and in Namibia so that people there will have their chance for human emancipation and development.

That is why we seek arms control arrangements through negotiations and have adopted a conscious policy of restraint on conventional arms transfers.

That is why we took tangible first steps in 1977 toward other goals, as well: to stop further nuclear proliferation; to reach agreements on the control of strategic weapons, agreements that will enhance the security of our nation and all the world; to reach agreement with our Western industrial partners on policies leading to economic revival and growth; to reaffirm our commitment to normalization of relations with the People's Republic of China; to reduce military competition in the Indian Ocean; to emphasize our support for racial equality and full political participation of all the people of South Africa.

The Carter Administration in 1977 made a conscious and deliberate effort to construct a foreign policy based upon American interests and upon American values and ideals.

In 1978, there are actions, decisions, and choices which we must make here in America—some of them difficult—which will help determine how such a policy can be nourished and further evolve.

Panama Canal Treaties

One involves the decision of the U.S. Senate on the Panama Canal treaties—treaties which are the culmination of 14 years' work by four American Presidents of both major political parties and their Secretaries of State. This is a decision which is being watched not only by all the nations of Latin America—all of which favor the

treaties—but by other nations around the world.

Through these treaties, we can secure—definitively and permanently—our right to use the canal and to protect it. It is a place for us to put the lie, once and for all, to the wornout charge that we Americans are interested only in making the Southern Hemisphere safe for our own economic interests.

Imagine, if you will, that a foreign country controlled and administered a 10-mile-wide strip of land running the length of the Mississippi River. How long do you think the people of this country would willingly accept such a situation? This is an issue requiring understanding and foresight.

If we ratify the treaties, we can make clear to the world that disputes can and should be settled peaceably—through the rule of law and negotiation. And, most importantly, we can insure and safeguard the long-term usefulness and viability of the canal itself to all who use it, including ourselves.

Economic Relations

Another decision we must make is one regarding our economic relations with the rest of the world.

In 1978 we shall be moving toward a conclusion of the Tokyo Round of trade negotiations with other importing and exporting countries.

In 1962, when President Kennedy argued for the passage of the historic Trade Expansion Act, which led to 10 years of worldwide economic expansion, he rightly pointed out that "a rising tide lifts all boats."

Today the world is badly in need of economic recovery. Other major nations are suffering rates of inflation and unemployment which rival or are even higher than ours. The Tokyo Round, of and by itself, will not instantly restore worldwide economic prosperity. It will, however, encourage new investment and profitable exchange. If it fails and falls victim to a new wave of international protectionism, we can be sure that many of the "boats" will founder and some may sink.

I know that this is not an abstract, theoretical matter for the American worker or businessman or farmer who depends for his family's living on production of steel, CB radios, color television sets, microwave ovens, textiles,

footwear, automobiles, computers, sugar, and many other items. The changing world economy has made other nations competitive in production of these products, and we are feeling the result of it.

The Carter Administration knows this and is doing its best to help the American industries and people affected. The new steel program, announced in December, is a part of that. So are our present discussions with Japan on reducing its import barriers and increasing its rate of growth.

But we and others must help ourselves in ways that do not throw the world back into the kind of disastrous protectionist spiral that we all experienced in the Great Depression.

Under economic pressure, one country, and then another, in the 1930's closed its borders to foreign goods. High tariffs increased the price of everything to everyone, everywhere. Then we closed our banks and our businesses and our farms as we fell into worldwide depression. The great ports of our country were, as you well know, empty and forlorn places.

A new wave of protectionism would imperil the American profits and 10 million jobs which depend on those exports. The hardest hit of all would be the American farmer, who is having a hard time staying in the black right now. California is an agricultural state.

I have just learned that there is more acreage under cultivation in the United States to produce food which we sell to Japan than there is total acreage under cultivation in Japan. If Japan, for instance, were to close its borders to our food and fiber as part of a trade war, farms and rural communities in this State and elsewhere in America would be severely harmed.

So we must make the necessary decision to keep our commitment to both domestic and world economies which are open to competition and which reward productivity. That will involve knocking down barriers to our products elsewhere in the world. But it will also involve our acceptance of the fact that to buy from us, other countries must be able to sell to us.

Third World

We also have decisions to make—beyond those surrounding the Panama Canal treaties and the Tokyo Round—about a whole range of relations with the so-called Third World. These countries, most of them gaining their independence after World War II, are increasingly involved in our daily lives.

You know how the amount and cost

of oil from these countries affect this country.

We also get more than 50% of the tin, aluminum, and manganese we need from less developed countries and substantial amounts of our lead, tungsten, and copper.

In addition, we depend on the emerging countries for an important share of our exports. Recent figures show, for instance, we exported \$29 billion in goods to the non-oil-producing developing countries. This was three times the 1970 figure, three times our exports to Japan, and \$3 billion more than our exports to all of industrialized Europe. These exports, of course, mean American jobs.

At the same time, it is in the developing world that many of the so-called global problems are most evident and threatening.

Inefficient and wasteful use of the Earth's resources, pollution of the oceans and atmosphere, nuclear proliferation, unchecked arms competitions—all of these are problems which involve not only these countries but also the safety of the human race.

Most countries of the Third World have too little food; many lack the means to produce enough of their own. Almost all have exploding populations.

Even the most optimistic projections for the future point to population increases in the Third World of some 75% by the year 2000. Perhaps even more troubling, this growth seems certain to be concentrated in already hard-pressed urban centers. Imagine, if you will, as the projections indicate, a Mexico City with 32 million people; Sao Paulo with 26 million; and Calcutta, Bombay, Rio de Janeiro, Seoul, Peking, and Shanghai each with some 19 million in 22 years.

In the years immediately ahead, many of the key nations of the Third World will be even more a part of our daily dialogue than they are today. We must decide how we shall relate to them.

These countries believe that they should no longer be the "hewers of wood and drawers of water" for the rich Western nations, and we understand this. In the past year, we have reduced their suspicion of the United States and, thereby, lessened the likelihood that we could be faced with attempts at new cartels, built around raw materials and commodities other than oil, and unending political and economic hostility.

The countries of the Third World now feel that we regard them as important and sovereign nations and that we identify with their human aspirations.

The emerging nations of the world can be constructive partners of the United States.

Make no mistake about it. These countries are not early-day miniatures of the United States. Many will choose paths of political and economic development which we will not approve. But a majority, at least, will be looking to us for understanding and assistance as they seek to build modern societies.

Will we be willing to share our technology with these countries? Will we be ready to help stabilize the basic commodity prices on which many of their economies are based? Will we treat their products fairly in the international marketplace? Will we be willing to support their national economic development plans when they do not always suit our own tastes? All these questions are complex and some pose difficult problems. But this Administration fully realizes that we shall harm our own interests and we shall not be true to our own values if we fail to address these issues sympathetically.

Southern Africa

An immediate and tangible test of our intentions toward the Third World lies in southern Africa. I speak of the three principal problems of Rhodesia, Namibia, and the situation within South Africa itself. We cannot impose solutions in southern Africa. We cannot dictate terms to any of the parties; our leverage is limited.

But we are among the few governments in the world that can talk to both white and black Africans frankly and yet with a measure of trust. We would lose our ability to be helpful if we lost that trust. It is, therefore, essential that our policies of encouraging justice for people of all races in southern Africa be clear to all.

After careful consideration, this Administration is actively pursuing solutions to all three southern African problems. These problems must be addressed together, for they are intertwined.

Some have argued that apartheid in South Africa should be ignored for the time being in order to concentrate on achieving progress on Rhodesia and Namibia. Such a policy would be wrong and would not work. It would be blind to the reality that the beginning of progress must be made soon within South Africa if there is to be a possibility of peaceful solutions in the longer run. It could mislead the South Africans about our real concerns. It would prejudice our relations with our African friends. It would do a disservice to our

own beliefs. And it would discourage those of all races who are working for peaceful progress within South Africa.

We believe that we can effectively influence South Africa on Rhodesia and Namibia while expressing our concerns about apartheid.

We believe that whites as well as blacks must have a future in Namibia, Zimbabwe, and South Africa. We also believe that their security lies in progress. Intransigence will only lead to greater insecurity.

We will welcome and recognize positive action by South Africa on each of these three issues. But the need is real for progress on all of them, and we shall need the continued support of the American people for a policy which encourages and presses for that progress.

Arms Limitation

Another decision facing us, as a people, is one which is now reflected in our discussions on strategic arms limitation with the Soviet Union. Security is the issue here. We pursue our security in two ways:

- By maintaining a military establishment which will see to the safety of ourselves and our allies and
- By arms control.

What we cannot achieve by mutual, equal limitations, we insure by our own strength.

Thus, we have to think of the strategic Arms Limitation Talks (SALT) as a process. It is a process of discovering whether we can work out some of our security problems with the Soviet Union. It is a process also in the sense that we try to solve what strategic problems we can at each stage; then, we move on to the next stage and the next level of problems.

We do not seek reductions in arms for their own sake but only when reductions promote security. But there can be an important result from arms reductions alongside an increase in our security: the potential for us and for others, including those in the developing world, to cut spending on armaments and to reorder priorities.

If we have the courage and patience to see it through, I believe we can both lower the threshold of international danger and release new resources for the works of peace through SALT and other such negotiations. But we must summon the will to do it. For it is in our relations with the Soviet Union that war and peace issues and decisions are most involved.

Our policies toward the Soviet Union

are based upon a realistic appreciation that this is a serious competitive relationship and that Soviet objectives in the world are very different from ours. It is also important to recognize, however, that there are specific matters on which our interests are not in conflict—not least, in the avoidance of nuclear war.

In the cause of peace and of our own interest, we have engaged the Soviet Union on a wide range of concrete matters intended in the first instance to stabilize the military competition and to regulate the political competition. These are our first objectives, because they go to the heart of the issue of war and peace.

Beyond these objectives, we seek to enlarge areas of common understanding and common action on a range of international issues, including human rights; cooperation on matters affecting the lives of people everywhere, such as disease, food supply, pollution of the environment, and the application of science and technology.

Progress in these fields is uneven and may take a long time, but we draw patience and a long-term perspective from our realization of how far we have come from the intense and dangerous cold war spirit that prevailed only a few decades ago.

The alternative to this active dialogue with the Soviets implies a return to the tensions and mutual isolation of the cold war. Many of you and the leadership of this Administration remember what that period was like. In good conscience, we cannot recom-

mend that we lead the country back to the troubles and fear of that era.

Middle East

Tomorrow I leave for Jerusalem to assist at an event that we all would have regarded as impossible just a few short months ago. The Foreign Ministers of Egypt and Israel will sit down together, around a conference table, to start the detailed negotiation of peace between Israel and the Arab states. After three decades of estrangement and hostility, the process of reconciliation has begun.

I am sure that you, as all Americans and peoples the world over, have been as moved as I was by the dramatic events of the weeks just past. President Sadat's sudden and spectacular visit to Jerusalem captured the imagination of all of us; it was an act of vision and statesmanship. The warmth of his reception by Prime Minister Begin and the people of Israel, surmounting the bitter memories of four wars which had brought tragedy to every family, gave clear testimony to the desire for peace.

President Sadat's initiative and Prime Minister Begin's response have set in motion a negotiating process which began with the Cairo preparatory conference in December and will continue at ministerial level in a Military Committee in Cairo and a Political Committee in Jerusalem. Both Egypt and Israel have emphasized that they view the negotiations now underway as laying the groundwork for negotiations among all parties to the Arab-Israeli

ECONOMICS: U.S., Japan

Trade Agreement

White House Statement ¹

The President is pleased by the agreement reached between Ambassadors Strauss and Ushiba on behalf of the U.S. and Japanese Governments regarding trade and other economic issues of common concern.² The President believes that the agreed measures constitute a promising development in the two countries' efforts to strengthen economic relations; he is gratified at the provision for followup meetings to discuss both implementation of this agreement and further progress.

This agreement should strengthen the bonds of friendship between the two countries, underlining their will and

ability to cooperate with each other and with other nations in devising common actions to meet common problems. The President is gratified at the role played by Prime Minister Fukuda in helping to bring about this outcome. He looks forward to working in concert with the Prime Minister in regard to continuing efforts to promote a healthy world economy. □

¹ Issued on Jan. 13, 1978 (text from Weekly Compilation of Presidential Documents of Jan. 23).

² Robert S. Strauss is the U.S. Special Representative for Trade Negotiations; Nobuniho Ushiba is Japanese Minister of State for External Economic Affairs.

conflict, looking toward a comprehensive peace in the Middle East.

After his discussion with President Sadat last week, President Carter made clear the task facing the Middle Eastern Political Committee meeting in Jerusalem.

- First, true peace must be based on normal relations among the parties to the peace. Peace means more than just an end to belligerency.

- Second, there must be withdrawal by Israel from territories occupied in 1967 and agreement on secure and recognized borders for all parties in the context of normal and peaceful relations in accordance with U.N. Resolutions 242 and 338.

- Third, there must be a resolution of the Palestinian problem in all its aspects; it must recognize the legitimate rights of the Palestinian people and enable the Palestinians to participate in the determination of their own future.

I believe that these principles, as stated by the President, should be acceptable to the governments and peoples on both sides of the Arab-Israeli conflict.

To move from principles to concrete achievement will require flexibility and courage, qualities of statesmanship of which the leaders of Egypt and Israel

have already given full display.

For our part, we stand ready to help Arabs and Israelis achieve their peace. It is important to our national interests that we do so; our values and character as a people demand no less than our greatest effort to help resolve this tragic conflict.

We will participate actively in the work of the Jerusalem meeting, as the parties have asked us to do. When difficulties in the negotiations arise, we may be able to make some helpful suggestions to bridge the gaps between the parties; however, we will not impose a blueprint for resolution of issues which ultimately only the peoples of the area can resolve.

There can be no turning back from Jerusalem. Arab and Israeli peoples would bitterly resent a diplomatic failure now that these long-hostile nations have found the will and the capacity to approach each other in mutual respect.

From what I have said today, I believe that you can tell that I am basically optimistic about our foreign policy and the chances for future advances in the cause of peace.

Despite our problems, this is a strong and free country and one which is filled with hope and vitality.

Some 33 years into the nuclear age, the world has not blown itself up. Indeed, we have in those years, through

diplomacy and international leadership, lessened the chances of that ever happening.

We have, since World War II, seen more than 100 new countries enter nationhood. They are becoming productive, self-sustaining members of the international community.

The task ahead, as I see it, will be to persevere on the course we have charted. This is a time when political and economic change is taking place so rapidly—Peter Drucker has aptly called this “an age of discontinuity”—that it might tempt some to retreat to our old inward fortress America habitudes.

However, we are now being true to ourselves, and faithful to what one 200-year-old document called “a decent respect for the opinions of mankind.” In the past year, President Carter has led us to make the hard decisions that have shown again that our country has not lost its faith in man’s perfectability.

We have great strength. Properly channeled, our strength can be a catalytic and vital force in bringing peace, opportunity, and material well-being to millions of people—in America as well as abroad. □

¹ Address before the Los Angeles World Affairs Council on Jan. 13, 1978 (press release 1 of Jan. 13).

ENERGY: Prospects for the Next Decade

by Richard N. Cooper¹

Four years ago, the energy crisis was visible at every gas station. Last winter the energy crisis was felt in cold homes and closed factories. But in between emergencies, the energy crisis becomes a matter of statistics and political argument rather than palpable distress. I am concerned that we as a nation are not aware of the full peril we face. As imported oil approaches 50% of our domestic consumption, for example, only about half of the American people even realize that we must import oil. And a recent poll indicated that only 12% of the public thinks there could be a shortage of oil within the next 15 years.

This lack of awareness is in some ways understandable. Not only are there no lines at the gasoline stations today, but there is more worldwide capacity to produce oil at present than

there is demand at prices set by the 14-nation Organization of Petroleum Exporting Countries (OPEC). With new sources of production from Alaska and the North Sea, we may have a few years of a soft oil market. But as we enter the 1980's, there is every reason to believe that the market will get tighter—unless we take tough action now to curb demand and increase domestic supply.

In 1985, according to recent studies, the total demand for OPEC oil by the non-Communist countries, assuming present energy policies continue, could range between 44 and 49 million barrels per day. Although OPEC's productive capacity might amount to as much as 40–45 million barrels per day, its likely level of production, due to economic and political considerations, might be more on the order of 36 million barrels per day, up from 31 million barrels per day in 1977. We, therefore,

have a potential daily shortfall of up to 13 million barrels. This prospective shortfall translates into the threat of another leap in prices, with all that went with the last one—inflation, recession, and prolonged economic disruption.

I hardly need remind you how different the impact of an increase in the price of oil is from that of other commodities. A drastic rise in the price of strawberries may cause anguish among strawberry lovers and may compel some minor adjustments among the consumption habits of the public at large. But the economy as a whole would not be affected. Oil is different. A price rise here is pervasive in its inflationary impact, both directly and indirectly through the prices of many other products. Perhaps paradoxically, it also has a powerful deflationary—or perhaps one should say contractionary—effect on aggregate economic activity. And

he process of adjusting our economy and society to sharply higher energy costs is particularly long and difficult.

Our physical capital stock has been built up over the past 30 years on the assumption of cheap and plentiful oil and gas. We can see this in the style and location of our homes and buildings, the structure of our cities, our transportation systems, and the choice of productive techniques in our factories and on our farms. Because the assumption of cheap energy is so deeply rooted in the current structure of our economy, adjustment to a period of shortage is exceedingly difficult. (By "shortage" I use the economist's conception, which will not typically involve physical shortages if prices are free to move; rather, the hardship takes the form of sharply higher energy bills and painfully induced retrenchment of demand.) To avoid sharply higher prices, forced-pace adjustment, and severe social and economic dislocations, we must anticipate the coming crisis before we get all of the market signals.

The pain of adjustment can be greatly reduced if it can be spread over a period of time and adapted to the natural capacity of our economy to adjust. We need to make sacrifices now—to alter lifestyles and business practices—to enable us to meet and overcome a crisis looming in the somewhat distant future. Anticipating future calamities is perhaps the most difficult challenge for a democracy, but it is a challenge that we, as well as our allies, must meet if our economic and political systems are to remain healthy and vigorous in the 1980's.

Global Dependence on Oil

The domestic and international aspects of the energy problem are intertwined. Whatever our problems, the situation of other industrialized democracies is more precarious. Most are far more dependent on imported oil, and since most now use energy more sparingly than do we, they have far less fat to shed before their economies become hostage to a shortage of oil. They are limited, however, in what they can do on their own to improve their situation, and their financial circumstances are typically weaker than ours.

I have emphasized thus far the problems arising from a likely shortage of oil in the mid-1980's. I do not need to remind you that we may not have to wait until then to experience these problems. We are presently vulnerable to disruption in the supply

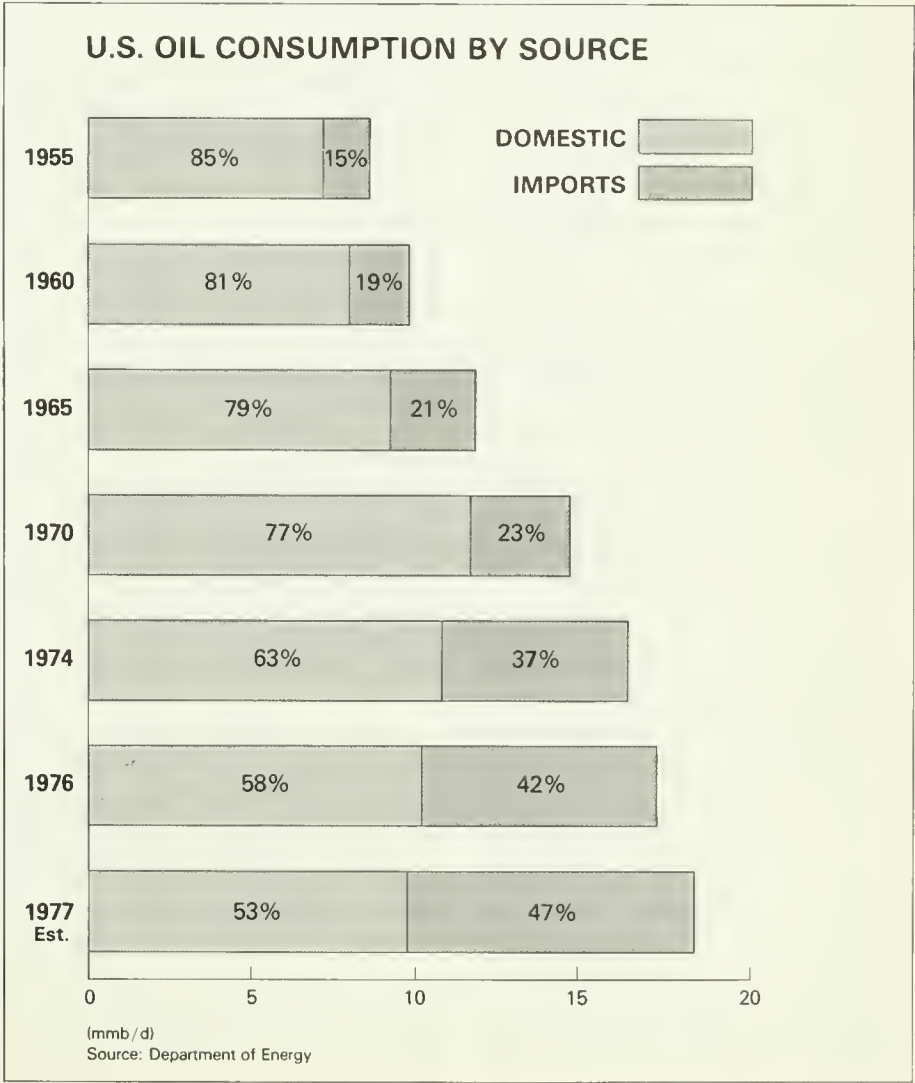
of oil from any source, whether it be from a politically motivated embargo or even a significant terrorist disturbance. Our vulnerability was dramatically demonstrated in late 1973; it is far greater now. Even the mere possibility of a supply disruption has a significant effect not only on economic decisions but also on national security considerations. A concentrated dependence on foreign sources for any vital material reduces our freedom of action and leaves us open to threats. The potential effects are, of course, even greater on our allies with their greater dependence on imported oil. Their sense of vulnerability to disruption of oil supplies increases considerably the burden upon us.

With only 6% of the world's population, we consume one-third of the world's energy production at a rate of the equivalent of a barrel of oil per week per person. We use twice as much energy per person as Germany

or Sweden—nations with roughly our standard of living. Although our own production is still substantial, we now, in addition, absorb nearly one-third of total OPEC oil production.

The United States is the world's largest energy consumer and the largest oil importer. If we do little to reduce our dependence on imported oil, the most ambitious efforts of the other industrialized nations to prevent a future shortfall will be futile. Despite this fundamental truth, our efforts to reduce our dependence will not prevent a shortage if others continue to significantly expand their oil consumption.

If our nations do not prepare for the oil shortfall in the 1980's, the framework of international cooperation which we have worked so hard to build since World War II will be imperiled. Severe economic disturbances would be followed in some countries by political instability. The trend toward freer international trade, which



has been responsible for much of our post-World War II prosperity, would surely be reversed under conditions of recession and oil-induced balance-of-payments difficulties. The prosperity and cohesion of the Western industrialized nations would be at stake, putting in jeopardy our own security and ultimately our way of life.

The non-oil-producing developing countries would also be hard hit economically. These nations are not prodigal energy users; they use very little energy, but their economic development—both in industry and in agriculture—depends on the availability of imported energy. If oil prices are rising, the burden on the already fragile external financial condition of these countries could become insupportable. The cost of their imports would rise, and in world recession their exports would contract. Economic development would stop if not regress.

To prepare for the energy crisis as it affects us now, and will affect us even more seriously in the future, President Carter determined that one of the first priorities of this Administration would be to develop a comprehensive energy program that will cut the growth of our energy consumption and reduce the demand for imported oil. The President's program aims at lowering the annual growth of energy consumption in the United States to less than 2% by 1985, compared to an average of 3.5% from 1950 to 1973. And it would reduce our oil imports in 1985 from a possible 12 million barrels per day to 6 million.

This program would have the not merely incidental benefit of helping to reduce our huge trade deficit, which with oil imports now costing \$45 billion a year is more than fully accounted for by our recent heavy dependence on imported oil.

Our energy program is only part of a broader effort to insure that the energy crisis does not suddenly overwhelm the entire international system.

We intend to continue our nation's leading role in the work of the International Energy Agency (IEA), an organization that includes Canada, Japan, and most of the industrialized democracies of Western Europe, as well as the United States. The IEA has already done much to transform the energy problem from a potentially divisive force into a unifying one. It has developed an emergency plan which would insure that the burden of supply disruptions would be borne equitably, thus avoiding a repetition

In November 1977 the Department of State released a discussion paper entitled *The United States and World Energy*. It was prepared by Ralph Stuart Smith, a special adviser in the Bureau of Public Affairs.

Generously illustrated with tables, charts, and photographs, this 39-page paper (with bibliography) reviews some of the interrelated diplomatic, commercial, and technical aspects of the energy question, with their implications for the United States and its foreign policy. It chronicles the events leading up to and following the crisis of 1973-74; describes the impact that crisis had on the industrial democracies, the oil-producing countries, the non-oil developing countries, and the Communist countries; and reviews the types of energy resources available—oil, natural gas, shale oil, coal, nuclear, solar, and geothermal.

The paper concludes that: "Large increases in domestic oil production seem clearly ruled out, apart from the contribution

of Alaska; and a substantial part of our foreign sources are located in the Middle East, an area of high political tension and risk. A basic objective of our foreign policy has been and must be to bring about peace and security in that area; but regardless of what success we may have in such efforts, the fact remains that oil located abroad is not under our control. We cannot rely on its being invariably available in quantities which will insure that its price is one we can afford to pay."

This discussion paper is *not* a statement of policy; rather it is an attempt to bring together, for convenient reference, some essential facts and alternative views on energy.

Single copies of this paper are available without charge from the Correspondence Management Division, Office of Public Communication, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

of the uncoordinated and collectively harmful reaction to the 1973 oil embargo.

The IEA is also vitally concerned with reducing its members' dependence on imported oil. Ministers of the IEA nations, including Secretary of Energy James R. Schlesinger, agreed recently in Paris to hold their total oil import demand to not more than 26 million barrels a day by 1985; down from a probable figure of 36 million barrels if current policies continue.

Obviously, this goal has to be backed up by strong domestic action by each of the member nations, or it will simply float off to join so many other well-intentioned but ineffectual objectives uttered at international forums. We and other members intend to examine closely the energy policies of all IEA nations and to treat seriously any lack of progress toward reaching our collective goal. But the United States is the key country; unlike any other nation, if we alone fail to do our share, the goal will never be reached.

We are urging the non-oil-producing developing countries to make maximum use of private sector resources to expand their production of energy. To help meet the financial requirements of such an effort, we are supporting an increase in World Bank lending for energy development.

And in the coordination of international economic policy with our major allies, we are trying to insure that the efforts of individual countries to cope with the burden of oil debt do not result in trade protectionism or

exchange restrictions that could ultimately undermine the liberal international economic system.

Consuming nations are, of course only one side of the energy equation. Actions of the oil-producing nations particularly the members of OPEC are critical to the world economy and to the future of the world's energy supply. In our view, international energy policy must be a cooperative endeavor. The oil-consuming nations particularly the United States, have a responsibility to the rest of the world—as well as to themselves—to control their consumption and to develop alternative sources of energy. The oil-producing nations, in turn must take into account the effect of their price and supply actions on the world economy. It is in their own interest, as well as that of the developing and developed worlds, to avoid further disruption in world trade and prosperity.

Thus, there is a kind of inescapable bargain which must be made between oil producing and oil consuming nations. It is an arrangement based on deeds, not words or agreements, and it is dictated both by the self-interest of each side and by the economic facts of life. The terms are simple. Consumers must restrain demand; producers must restrain prices and expand production to meet the demand.

The basis for this relationship can be clearly seen by considering the alternative. If consumers do not restrain demand, production will be inadequate and prices may take another

dramatic leap. If producers raise prices continually and without economic justification, the world economy will suffer cumulatively increasing damage, and the financial and political stability will be undermined.

Domestic Energy Plan

I would now like to return briefly to the President's energy plan. As you know, it operates both on the supply and demand for oil and the supply and demand for energy. The two do not always correspond. An increase in the demand for energy need not be accompanied by an increase in the demand for oil. In fact, the plan provides for modest growth in energy use while it would hold oil consumption to just slightly above the 1976 level.

With respect to demand for energy, the potential for additional conservation is clear. As noted above, we use twice as much energy per person as Germany or Sweden. Some of that energy use is careless waste, reflecting a bygone era of cheap energy. Much is built into existing structures and location patterns. Reducing energy demand in these sectors often is not free; it requires investment and should be judged by a test of cost-effectiveness. Measured by that test, there is enormous potential for profitable investment in conservation—home insulation, new energy control techniques in existing plants, new plants and equipment which are optimized according to current and future energy prices. Conservation is not simply a slogan or an exhortation to good citizenship. It is a field of opportunity for investment and innovation by American business and homeowners.

Many of the programs you have adopted in California—utility rate reform, incentives for utilities to undertake vigorous conservation programs and for customers to purchase solar equipment—have helped shape the national energy plan and can be a model for other States.

Supply is an equally important feature of the President's energy strategy. The plan calls for an increase by two-thirds in the production of coal, to more than a billion tons per year by 1985. It provides steps to stimulate substitution of coal for oil and natural gas, as well as to overcome some of the present economic, social, and environmental constraints upon its use.

The production of nuclear energy is projected to increase significantly. The plan is directed toward use of the

light water reactor and defers the early commercialization of technologies which have not been fully developed or safeguarded against potential misuse, particularly the breeder reactor. Expansion of the production of nuclear energy is an essential part of the effort of the United States and other industrialized nations to reduce our collective dependence upon imported oil. We believe it can be done in a manner which will not threaten our safety or our environment.

The plan also provides incentives for the development of new sources of domestic oil and natural gas. Contrary to widespread misinterpretation, the price incentives—after allowance for taxes—are generous by any reasonable standard—more generous, in fact, than incentives to produce new oil and gas almost anywhere else in the world.

We cannot afford, however, to lull ourselves into the expectation that domestic drilling will tap vast new reserves of oil or gas. Our nation has probably been explored as thoroughly as any other. We can expect to increase production somewhat over the next 10 years, but for the supply of domestically produced energy to fuel an expanding economy, we will have to look to coal, nuclear, and other sources.

We must also keep in mind that oil and natural gas may ultimately be most valuable to us as raw materials. They are used as feedstocks for petrochemicals, fibers, plastics, and pharmaceuticals as well as in lubricants, waxes, and asphalt. While we have now and expect to develop alternatives for many of the uses of oil and gas as fuels, it may be more dif-

ficult or more costly to find adequate substitutes for these other uses.

A longrun solution to the energy problem involves more than oil and gas. The world economy must shift over time to nonfossil fuels, particularly to renewable resources. Sources which once seemed exotic, and which are now small-scale or experimental, will one day be routine. Solar energy, for example, offers enormous potential for the future and specific, cost effective applications for today. Solar water heating is already competitive with gas or electricity in parts of the country. Costs of photovoltaic cells are declining substantially, and this form of solar electricity may soon be practical for numerous remote areas. Wind and geothermal energy could make a useful contribution by the year 2000. And the U.S. Government is actively pursuing, along with other nations, advanced forms of nuclear fusion and fission which would meet our concerns about the nonproliferation of nuclear weapons.

For as far as we can see into the future, we shall have to make difficult decisions about energy. There is no "quick fix," no single policy cure-all. Instead there are a series of practical measures that we can take now in order to preserve our chances for prosperity and security for the years to come. It is a privileged position for any generation to be able to foresee and adapt to the problems of the future. We should not miss that opportunity. □

¹ Address before the annual Business Forecasting Conference at the University of California in Los Angeles on Dec. 8, 1977; Mr. Cooper is Under Secretary for Economic Affairs.

EUROPE: Crown of St. Stephen

by Secretary Vance¹

It is often said that America is a nation of nations, and indeed we have grown and prospered because of the contributions of people from all over the world. We have drawn courage and inspiration from those who have come from other nations to settle in America, or to give us their help.

Throughout two centuries, the destinies of the Hungarian and American peoples have frequently been linked. Our infant republic, struggling in its

war of independence, welcomed Col. Michael Kovats who helped to found and train the cavalry forces of Gen. George Washington. Col. Kovats gave his life for American independence at the battle of Charleston, South Carolina. Hungarian journals of the day were filled with detailed reports of America's struggle for independence.

Slightly more than half a century later, Americans saw the founding of the Hungarian republic. Not only did our republic recognize the Hungarian republic but became the only country to

accredit a diplomatic minister to that government.

When the republic was crushed, America welcomed with open arms the struggle's greatest hero, Louis Kossuth. The impact of this great man and his ideals is reflected in the many American cities, villages, and counties which bear his proud name.

A century ago, the pull of new land and new opportunity in the United States beckoned many people of Hungary. Indeed, this first great wave of immigration to the United States from Hungary—which lasted until the beginning of the First World War—brought tens of thousands of Hungarians to our country. They became farmers and skilled workers; they became businessmen and scientists and leaders in the arts.

In 1944, as the battle lines moved westward into Hungary, the Crown of St. Stephen and other coronation regalia were moved from their traditional place of safekeeping in Budapest to western Hungary under the protection of their custodial guard. In March 1945, they were moved by the guard from Hungarian soil into Austria. Later, the guard turned over the crown and regalia to elements of the U.S. Army for safekeeping.

We accepted this responsibility in the knowledge that the crown belongs to the Hungarian people. This historical and religious treasure, which has

played a central role in the history of the nation for nearly 1,000 years, should be in Hungary for its people to cherish.

President Carter has written to your President a letter in which he states:

It is with a genuine sense of pride that I am able to return to the people of Hungary this priceless treasure, which the United States has been privileged to shelter since the terrible devastation of the Second World War. I see in this act the reaffirmation of the traditional bonds of friendship between our two peoples.

The return of the crown reflects the improved relations between our peoples and governments and responds to the national hopes of the Hungarian people. We also believe that it will foster the spirit of the Helsinki Final Act, to which the American and Hungarian peoples are fundamentally dedicated.

It is my unique privilege, on behalf of President Carter and the people of the United States, represented here by distinguished Members of the Congress of the United States and other distinguished American citizens, to return to the people of Hungary the Holy Crown of St. Stephen. □

¹Statement made at the ceremony on the return of the Crown of St. Stephen and other coronation regalia in Budapest on Jan. 5, 1978 (press release 7 of Jan. 7).

Secretary Vance Visits Turkey and Greece

Before returning to the United States from his trip to the Middle East, Secretary Vance visited Turkey and Greece (Jan. 20-22) to meet with government officials. Following are remarks to the press by Turkish Foreign Minister Gunduz Okun and the Secretary upon the latter's arrival in Ankara and remarks by Greek Prime Minister Constantine Karamanlis and the Secretary in Athens.¹

ANKARA, JAN. 20 ²

Foreign Minister Okun: I want to welcome Mr. Cyrus Vance, the Secretary of State for Foreign Affairs of the United States and would like to wish him a good, a pleasant stay in Turkey. Mr. Vance is a very famous statesman in the international field, and he is known as a troubleshooter No. 1 in international affairs.

We have some trouble spots in the region, but I don't think that Mr. Vance would have time to be interested in some trouble spots like Cyprus and the Turkish-Greek relations. We believe that these issues could be solved by the parties interested to these issues without any interference or involvement by any foreign and/or major power.

The trouble spot which Mr. Vance would be interested in, I think, will be the Turkish-American relations, which have had a low profile recently. We would like to develop these relations, and we would like to discuss the problems of common interest and to find out solutions which would be to the interest of both nations. I believe—I'm sure that a statesman like Mr. Vance, a statesman of high standing and long experience in international fields, would contribute to the development of Turkish-American relations. I welcome

him and his wife and his colleagues, and again I wish him success and a pleasant stay in Turkey.

Secretary Vance: I am delighted to return to Turkey at the kind invitation of Prime Minister Ecevit. I am extremely pleased that the Prime Minister's gracious invitation provided an early opportunity for me to come to Ankara to review with the Prime Minister and the Foreign Minister a broad range of world problems and issues that face our two countries.

Let me emphasize that the U.S. Government, and the American people, value very highly our relationship with Turkey and our longstanding alliance. We share a very strong and deep commitment to democratic ideals and values.

I am sure that I will benefit greatly from the discussions which I will be having tonight and tomorrow with the Prime Minister and other members of his government. I look forward very much to those discussions and thank him again for his kind invitation and inviting me to come to your country.

Q. [Unofficial translation] After the Ecevit government came to power, the spokesman of the U.S. State Department gave some optimistic and positive statements on the subject of Ecevit's approach to world issues and Turkish-Greek relations. Therefore, I wonder whether the American Government hopes that the defense agreement will pass more easily through Congress.

Secretary Vance: Let me say that we will be discussing a whole range of issues with the Foreign Minister and the Prime Minister. I'm sure that one of the issues which will be coming up will be the issue of our relationships. That is a very important relationship to us. It always has been in the past; it will be in the future. I think the atmosphere between our two governments is a very good one, and I look forward to a very fruitful relationship between our two nations.

Q. I talked with [U.N. Secretary General] Mr. Waldheim last week in Tehran. He was very hopeful with respect to the Cyprus matter. Are you as hopeful to solve this problem as Mr. Secretary General in Tehran? He assured me the problem will be solved by the end of 1978.

Secretary Vance: I'm delighted to hear that. I had a chance to talk with him, too. He and I had a phone conversation when he was in Tehran. He was very pleased with his conversations when he was here in Ankara and was encouraged as a result of those discussions. I hope very much that these hopes for the future will be achieved,

because I think they're the hopes of everyone. Everyone would like to see progress in that longstanding and difficult problem.

ATHENS, JAN. 22³

Q. Will you tell us about the issues that you reviewed?

Prime Minister Caramanlis: That is what we will do. That is why we are here. First, I would like to say how happy I am about Mr. Vance's visit to Greece and also to express my satisfaction about the talks we had.

As we know, Mr. Vance is in our country as a guest of the Greek Government. Consequently, he has not come to propose solutions to our problems; but he came to exchange views with us on issues of mutual concern.

First, we discussed with Mr. Vance bilateral issues, such as the aid provided by America to Greece—which will amount to \$175 million this year—as well as the question of the military facilities Greece is providing to America.

We also discussed the questions of NATO and ascertained that this question is connected with the settlement of the Cyprus issue.

Next, we reviewed developments in the Cyprus issue. Regarding this last question, Mr. Vance stated to me that his government, because it is concerned about peace in this area of the world, would like an early and just solution to be found but does not intend to propose or recommend solutions. The U.S. Government will, nevertheless, be at the disposal of the U.N. Secretary General in order to help if the interested parties find this useful.

I had the opportunity to tell Mr. Vance—or rather to give Mr. Vance—an account of the position of the Greek Government on all these issues as outlined in my election platform. And I can say with satisfaction that I was met with understanding.

Finally, we discussed current international problems and, more specifically, the developments in the Middle East.

The conclusion is I had a very useful discussion with Mr. Vance, carried out in an atmosphere characteristic of the traditional friendship which binds our two peoples.

Q. Did Mr. Vance bring you any proposals on behalf of the Turkish Government?

Prime Minister Caramanlis: He brought no proposals. But he gave me his impressions of the discussions he held in Ankara. However, from what I have been told I can make no predictions about the future.

Q. What does that mean; that you are pessimistic?

Prime Minister Caramanlis: Neither optimistic nor pessimistic. If the proposals which Mr. Ecevit promised to make should lead to an honorable and just solution of our differences, they will be sure to meet with a favorable Greek response because Greece—as I have often declared—sincerely wants to restore good relations with Turkey. If the aim of Ankara is only to create impressions, then I might say that it is a mistake, because to deny the hopes which it creates would aggravate the situation.

Q. Will there be another meeting with Mr. Vance before his departure?

Prime Minister Caramanlis: No, we have finished. We said all we had to say. This proves that we had no difficulties. The fact that we need not have a further meeting proves that we had no difficulties.

Q. Do the views put forth by Mr. Vance greatly differ from the Greek views?

Prime Minister Caramanlis: You have been answered already. He [Mr. Vance] showed understanding. [Unofficial translation]

Secretary Vance: Let me just make a very brief statement. I appreciate very much the opportunity to meet with the Prime Minister and to discuss the issues which have been reviewed for you. I have found it most informative and useful, and it will be very helpful to me and to President Carter in our understanding of these issues which are of great importance.

With respect to the bilateral issues, of course, we both have a mutual interest in seeing these issues resolved in a mutually satisfactory way. And in that regard, I found our discussions also very useful.

So again, let me express my deep thanks to the Prime Minister for his kindness in inviting me to come with him and exchange views on these bilateral issues and on the international issues of broad, worldwide scope.

Q. Did you discuss the new Ambassador's appointment?

Secretary Vance: That subject did come up and we discussed it.

Prime Minister Caramanlis: We discussed it and we found a solution. [In English]

Secretary Vance: That's right. □

Sixth Report on Cyprus

Message to the Congress¹

As required by Public Law 94-104, this report describes the progress that has been made during the last sixty days towards a negotiated settlement on Cyprus.

In my last such report to the Congress, submitted on October 28, I described with cautious optimism the efforts that the Administration had been undertaking to promote an early resumption of meaningful intercommunal negotiations under the auspices of the United Nations. Over the past sixty days we have continued to discuss the Cyprus issue extensively with Turkish, Greek and Cypriot representatives and with U.N. officials, our purpose remaining that of persuading the parties to resume intercommunal talks at the earliest possible date and to be prepared to come to the table with substantive, negotiable proposals.

The Cyprus situation was discussed in the bilateral meetings that Secretary Vance held with Greek Foreign Minister Papaligouras and Turkish Foreign Minister Caglayangil in Brussels in early December. These conversations and contacts with the two Cypriot communities have fortified our belief that a Cyprus settlement is earnestly desired by the parties concerned, and that they accept the need to resume negotiations to this end. Foreign Ministers Papaligouras and Caglayangil also met bilaterally in Brussels, and in a joint communique stated that Greece and Turkey would continue to encourage a prompt resumption of negotiations as a means of promoting a comprehensive solution of the Cyprus problem.

We hope that the recent elections in Greece will give new momentum to the search for a Cyprus settlement. Prime Minister Caramanlis said in his policy statement to the Chamber of Deputies in Athens on December 14 that his government "will continue to support the intercommunal talks under U.N. aegis and will provide its full support to the people of Cyprus . . ."

The Turkish Government has in recent weeks given public evidence of its favorable attitude towards a settlement on Cyprus. In a series of public interviews late in November, Foreign Minister Caglayangil declared his support for an early resumption of negotiations and indicated Turkish flexibility with respect to both territorial and constitutional aspects of a package agreement. He also called for economic cooperation between the two Cypriot communities, and reaffirmed the Turkish Government's intent to withdraw its troops from the island once a settlement is in effect. This administration has welcomed Foreign Minister Caglayangil's statements as containing a number of positive elements, and we have also noted as steps in the right direction the Turkish

¹Other press releases relating to Secretary Vance's trip are Nos. 42 and 43 of Jan. 21, 1978; 44 and 47 of Jan. 23; and 46 of Jan. 25.

²Press release 41 of Jan. 21.

³Press release 45 of Jan. 22.

Government's decisions to withdraw an air force unit and 700 of its ground forces from Cyprus. It is our hope and expectation, based on the Turkish Government's announcement, that additional troop withdrawals will be made. Steps such as these might improve the general atmosphere so as to encourage the sense of

trust required to make meaningful talks possible.

Since late October the Administration has actively encouraged the two Cypriot communities to reach agreement on formulation of a joint committee—with International Red Cross participation—to investigate cases of persons reported as missing and unaccounted for since the intercommunal violence of the 1960's and the Turkish intervention of 1974. Work towards establishment of such a committee is proceeding. Tracing missing persons is, of course, a humanitarian rather than a political matter. Nevertheless, the experience of these past two months demonstrates that practical solutions to the problems that divide Greek and Turkish Cypriots might indeed be attainable. The readiness of both Cypriot parties to accept a simple and non-controversial resolution on missing persons in the U.N. General Assembly's Third Committee testified to a constructive attitude on this issue.

The United Nations General Assembly conducted its annual debate on Cyprus November 7-9, and the Security Council approved on De-

cember 15 the extension for a further six months of the mandate of the U.N. peacekeeping force on Cyprus (UNFICYP). The General Assembly debate provided the opportunity for a thorough debate of the issues involved in the Cyprus dispute. Renewal of the UNFICYP mandate, in itself an important step, was significant also for the commendable spirit of compromise displayed by the several parties concerned.

Resolute movement towards intensified negotiations is still required, and in the weeks and months ahead we will persist in our efforts to achieve this goal. We believe we are proceeding in the right direction, and we remain hopeful that substantive progress towards a just and lasting Cyprus settlement can be achieved.

JIMMY CARTER. □

Italy

Department Statement¹

U.S. Ambassador to Italy Richard N. Gardner's visit to Washington has provided an occasion for a general policy review with senior Administration officials.

There has been no change in the Administration's attitude toward Western European Communist Parties, including that of Italy, although recent developments in Italy have increased the level of our concern.

As the President and other members of the Administration have publicly stated on a number of occasions, our Western European allies are sovereign countries and, rightly and properly, the decision on how they are governed rests with their citizens alone. At the same time, we believe we have an obligation to our friends and allies to express our views clearly.

Administration leaders have repeatedly expressed our views on the issue of Communist participation in Western European governments. Our position is clear: We do not favor such participation and would like to see Communist influence in any Western European country reduced.

As we have said in the past, we believe the best way to achieve these goals rests with the efforts of democratic parties to meet the aspirations of their people for effective, just, and compassionate government.

The United States and Italy share profound democratic values and interests, and we do not believe that the Communists share those values and interests.

As the President said last week in Paris: "It's precisely when democracy is up against difficult challenges that its leaders must show firmness in resisting the temptation of finding solutions in nondemocratic forces." □

¹Read to news correspondents by acting Department spokesman John Trattner on Jan. 12, 1978.

HUMAN RIGHTS: Cambodia

by Warren Christopher¹

While there is not time for a review of human rights conditions around the world, I do want to call your attention to what is among the most flagrant and massive abuses of human rights to be

found in the world today—those in Cambodia.

No one outside Cambodia can know the full dimensions of the systematic terror and grinding down of the Cambodian people which has taken place under those who have seized power there. The many detailed firsthand reports from the stream of refugees fleeing that country provide a picture of a regime bent on destroying virtually every vestige of the existing society in order to impose its will upon the population. Hundreds of thousands of human beings—not only supporters of the former regime but people from all elements of society—have perished under this regime.

While the United States has no relationship whatsoever with Cambodia, we condemn what has taken place there and will take every suitable opportunity to speak out, lest by our silence we seem to acquiesce in the unspeakable human rights abuses that are occurring there. Moreover, we will be supporting international efforts to call attention to this egregious situation. □

The Bureau of Human Rights and Humanitarian Affairs is the focal point for the advocacy of human rights and humanitarian concerns within the Department of State. It is actively involved in day-to-day policy development and the implementation of important foreign policy decisions.

Public Law 95-105 requires a report on the current mandate and operations of that bureau, the mandate and operations of its predecessor offices, and proposals for the reorganization of the Department of State that would strengthen human rights and humanitarian considerations in the conduct of U.S. foreign policy and promote the ability of the United States to participate effectively in international humanitarian efforts. This report was submitted to the Congress by Secretary Vance on January 31, 1978, and was printed in the Congressional Record of February 7, p. 51422.

¹Excerpt from remarks before the National Foreign Policy Conference for Editors and Broadcasters at the Department of State on Jan. 18, 1978; Mr. Christopher is Deputy Secretary of State.

MIDDLE EAST: Secretary Vance Visits Israel and Egypt, January 16-22

Secretary Vance visited Israel (Jan. 16-20) and Egypt (Jan. 20-22) to meet with Prime Minister Begin and President Sadat. He headed the U.S. delegation at the opening session of the Political Committee in Jerusalem. Following are remarks and news conferences by Secretary Vance and foreign leaders on various occasions during the trip, as well as the texts of a White House statement on the Secretary's report to the President and Secretary Vance's statement before the House Committee on International Relations.¹

OPENING SESSION, POLITICAL COMMITTEE, JERUSALEM, JAN. 17²

Let me first express to you, our host, my delegation's appreciation for the arrangements that have been made for the meetings that are opening today.

We owe a deep debt of gratitude to President Sadat and to Prime Minister Begin for their steps toward peace which have brought us to this room. We are here because of the courage and vision of President Sadat and Prime Minister Begin in sweeping aside the barriers that for so long separated Arabs from Israelis, barriers that have caused so many wars and so much bloodshed. We are here to work to bring to fruition the task begun by President Sadat and Prime Minister Begin in Jerusalem and in Ismailia and in the Cairo conference, of which this committee is an outgrowth.

President Carter has sent me to represent the United States at the opening of these talks to demonstrate the importance that we attach to them and to their success. Since the very beginning of the Arab-Israeli conflict, we have played an active role in the search for a settlement. Our friendships with all of the parties are warm and strong. For the meetings that begin this morning, we pledge to support the efforts of the parties to reach agreement.

The common goal of all—Egypt, Israel, the United States, and those absent today but who we hope will soon join in our efforts—is a just, lasting, and comprehensive peace. If this committee is to succeed in its goal of preparing the way for such a peace, it must come to grips with the difficult problems of substance which continue to separate the parties. As President Carter has said, we believe there are certain principles which must be observed before a just and comprehensive peace can be achieved.

• First, true peace must be based on normal relations among the parties to

the peace. Peace means more than just the end to belligerency.

• Second, there must be withdrawal by Israel from territories occupied in 1967 and agreement on secure and recognized borders for all parties in the context of normal and peaceful relations in accordance with U.N. Resolutions 242 and 338.

• Third, there must be a resolution of the Palestinian problem in all its aspects. The solution must recognize the legitimate rights of the Palestinian people and enable the Palestinians to participate in the determination of their own future.

Those of us here today bear a special and very heavy responsibility as representatives of our governments and as individuals. We must deal with and overcome many difficult problems. We will be held accountable—today by world opinion, tomorrow by history. We will not be judged lightly if we fail.

It is entirely fitting that this work be done in Jerusalem—Jerusalem, city of peace, city which has known so much strife and bloodshed, city holy to our three religions. We must carry forward here the work already begun. As President Carter recently suggested, the road to peace can lead through Jerusalem and Cairo ultimately to a comprehensive peace.

It is also fitting that this work should begin as Israel approaches its 30th anniversary. There could be no greater gift to the people of Israel and to the people of the Arab world than to make this anniversary the birthday of peace.

So in this place and at this time, let us strive to make a reality of the peace for which the peoples of this area have so long yearned.

TOAST, JERUSALEM, JAN. 17³

This is my fifth visit to this beautiful and historic city in the period of just 1 year that I have been the Secretary of

State. This visit is a very special one. What makes it special is that today the Foreign Ministers of Israel and of Egypt have begun the process of serious, direct, substantive negotiations, and all of us have a sense of the importance of this day and of this moment.

The meetings which we began today will have to deal with many difficult and serious issues which will affect the national interests of all parties. We have before us an historic opportunity for peace. We know this opportunity must be seized or it may slip from our grasp. But we must ever keep in mind that no truly important problem is ever solved without perseverance, hard work, and flexibility on both sides. I am sure that, in the work which began today, we will have times of success and moments of difficulty. We must build on the momentum which has been created and not allow moments of difficulty to discourage us. We must keep constantly in front of us the goal which all of us seek—namely, a just and lasting peace.

Let me conclude with a brief personal observation. The direct contacts that are now taking place offer the opportunity for a new dimension that has been absent in all past efforts to resolve this conflict. I refer to the opportunity to listen and to make a genuine effort to understand the perceptions and points of views of others. The importance of this new dimension should not be underestimated.

Ladies and gentlemen, I ask you to raise your glasses to the two great leaders to whose statesmanship we owe our presence here this evening—Prime Minister Begin and President Sadat. Let us take inspiration from their courage, their vision, and dedicate ourselves to the task that they have put in our hands.

REMARKS TO THE PRESS, JERUSALEM, JAN. 19⁴

Prime Minister Begin: The Foreign Minister [Moshe Dayan] and I just finished a conversation with the Secretary of State, Mr. Atherton [Assistant Secretary for Near Eastern and South Asian Affairs Alfred L. Atherton, Jr.], and with Ambassador Lewis [U.S. Ambassador to Israel Samuel W. Lewis]. It was one of the best talks. All

of them are good ones, but this was even better.

Tomorrow the Secretary of State will go to Cairo and will see President Sadat. The Secretary was gracious enough to take it upon himself to try to convince President Sadat that the negotiations within the framework of the Political Committee should be renewed.

As far as the Military Committee is concerned—from our point of view they are intertwined—the Cabinet of Israel will take the proper decision after we are informed by the Secretary of the results of his talks in Cairo. We hope that the mission—very important mission of the Secretary in Cairo—will be successful. We wish him Godspeed and full success.

Secretary Vance: I appreciate very much your kindness in coming today to meet with us. We did, indeed, have a very good discussion of the situation and the plans for the future. I will be reporting to the Prime Minister and to the Foreign Minister after my talks tomorrow, and then we shall determine how we proceed from there.

Q. In other words, from now on everything is up to President Sadat.

Secretary Vance: No, I wouldn't say that. We first want to hear what he has to say and hear his views as to how we should proceed. Of course, he is one of the parties, and this is for all of the parties to decide.

Q. If he says no, that's the end of the Political Committee and the foreign ministers' conference.

Secretary Vance: I think you are jumping to conclusions at this point.

Q. Does that mean you are coming back here personally?

Secretary Vance: No, I am going to be going from Cairo, directly to Ankara. I promised to spend a night and part of 2 days in Ankara on my way back to the United States and also the same in Athens, and I shall be going from Athens back.

Mr. Atherton is going to be staying here along with the other members of our delegation, and, as I've said many times on many occasions before, that should it be useful for me to come back again at any time, I'll come back.

Q. During the talks have you explored the possibility of another summit between Prime Minister Begin and President Sadat or even more a possible summit inviting Mr. Begin, Mr. Sadat, and President Carter?

Secretary Vance: No, we have not explored that at this point.

Q. Do you think that would be a worthwhile idea?

Secretary Vance: I think that's up to

the principals to comment on.

Q. [Inaudible]

Prime Minister Begin: If the President of the United States invites me to come to Washington to meet him, I will with gratitude accept his invitation. If he invites me to come to Washington together with President Sadat, the representative of Israel will be there.

Q. You just said that if Mr. Sadat went to Washington and if you were invited by President Carter, that there would be a representative of Israel. Does that mean—

Prime Minister Begin: No, I said the representative. I represent Israel. [Laughter]

Secretary Vance: Good for you.

Q. So that we can gauge the chances of renewing these talks, can you tell us, having spoken, I know, with the President and with others, why were the talks broken off?

Secretary Vance: I don't really frankly know the answer to that question. President Sadat said he would discuss that with me tomorrow, and I'll be able to give you a better answer tomorrow.

Q. I understand that President Carter is interested in seeing the military talks continue. This was his position, if I understand it, is that we are prepared to see the political talks continue, and we haven't yet decided about the military talks. Does this mean that the resumption of the military talks is dependent on the resumption of the political talks?

Prime Minister Begin: We reserved yesterday the decision which we will take after we hear from the Secretary and perhaps also we shall hear President Sadat's speech on Saturday. There was a publication to the effect that our Defense Minister has been invited to come to Cairo on Shabbat. We don't travel on Shabbat. So this is excluded, and in the meantime we shall listen to the speech by President Sadat. Together we shall be able perhaps—I have to make this reservation—at the weekly Cabinet session, which convenes usually at 10 o'clock in the morning on Sunday, to take a decision about our participation in the Military Committee.

Q. What do you think the United States—what do you think the Americans could do to restore the negotiating process?

Prime Minister Begin: You heard the Secretary of State. He can do much, so America will do much.

Q. But I want to know what you think the United States could and should do to restore the process.

Prime Minister Begin: I already

said the Secretary of State will go tomorrow to Cairo and speak to Sadat. I think it is very much indeed. We only expect good results.

Q. [Unofficial translation]. You stated this afternoon that Israel has reached agreement on five issues out of seven on the first paragraph of the agenda. Could you indicate what are the five points of agreement?

Prime Minister Begin: The numbers are not so important. We even examined them together, the Foreign Secretary of Israel and the Secretary of State, and our colleagues and myself, the draft declaration of principles, and we found that real progress was made. Some issues are outstanding and should be subject to further negotiations. Within the framework of the Political Committee—may I be allowed to finish another sentence? I don't think it would be advisable now, useful to the public interest to go into the details. What I can say, and the Secretary of State will bear me out, is that we made real progress, and there are still some problems to negotiate about.

Q. Would you prefer the resuming of the Political Committee or would you prefer a new, less public framework would be more advisable?

Prime Minister Begin: There is no need to look for new formulas. The formula of a Political Committee and a Military Committee, which met with Mr. Sadat's approval in Ismailia, is very reasonable. We have political problems. We have security problems, i.e., military problems. Therefore, we have established the two committees, and both should be resumed.

Q. Both you and the Prime Minister categorized the talks this afternoon as good and very good. What was so good about them?

Secretary Vance: We went into the various issues which have to be considered and determined. We explored them in depth. We found a great deal of agreement on these issues, and there was a full exchange of views, and I considered them to be very good talks.

Q. The atmosphere to many observers seems strained here. There've been suggestions that improper speeches have been made in the wrong place and that guests of the Israeli Government are saying things that maybe they shouldn't say. I would like to hear your estimate of the social niceties with particular reference to the way you found out about the Egyptian Foreign Minister being withdrawn. Were you informed in a proper way?

Secretary Vance: I found out by

somebody telling me that there had just been reported over the radio that the Minister of Information of Egypt had said that the delegation was being called back to Cairo. I really don't want to comment on whether that was appropriate or not.

Let me say I think we have just got to keep our eye on the task that we really all have ahead of us and that is to get the talks going again and try and find a solution.

Q. You made a very strong speech today. Do you think this is the time for strong speeches?

Prime Minister Begin: If it was a strong speech it means that it was a good speech, and this is the time for good speeches.

Q. Can you tell us what you will say to President Sadat that could make him reverse his position?

Secretary Vance: You know I can't answer that question, and it would be inappropriate for me to do it. I really can't.

Q. Do you see the possibility that a new framework other than the existing Political and Military Committees could be decided upon in order to continue the talks? Some other framework?

Secretary Vance: The two committees still exist. There has been a suggestion that the Military Committee will resume its discussions on Sunday or Monday of next week. That's a decision which has to be taken. Insofar as the Political Committee is concerned, when the Foreign Minister left yesterday, he indicated that he did not consider the talks broken off nor the Political Committee dissolved; so they both still exist.

Q. Do you see another framework possible at this point?

Secretary Vance: Anything can happen, but I think we've got these two, and I think you ought to deal with the two we've got.

Q. Including your shuttling back and forth between the two capitals?

Secretary Vance: I don't see that is needed at this point. I'm going to take this one trip, and I said if I have to come back, I will.

Q. On the status of the declaration of principles, was there additional work done between yourself and the Prime Minister on that document so that when you go to see Mr. Sadat, you can inform him of the situation where, at least as far as Israel is concerned, it could accept some ideas put forth by the United States on the remaining problems?

Secretary Vance: We had further discussion about that document. Any

ultimate decision, of course, will have to be a decision taken by the Israeli Cabinet when there is such a document and the same thing would be true of Egypt. Any decision would have to be taken by the President of Egypt.

Q. I would like to ask a personal question which is not of strict reference to politics. Would you ever think for a second this afternoon, while you were delivering the speech, that President Sadat was on the other side of the television just staring at you and trying to find out what was behind your words?

Prime Minister Begin: You know when I make a speech, I think about the speech. And the audience is vast! And, of course, I always bear in mind that people listen to my speeches. I think it was a good and constructive speech. This is my opinion and my conviction.

Q. Do you in any way feel that the public dialogue between you and President Sadat as manifested in your speeches has hampered negotiations in either of the two committees?

Prime Minister Begin: I had a long discussion on this with the Foreign Minister of Egypt yesterday when he came to see me. We sat together for some 75 minutes, and we really discussed this problem. I don't want now to go into details, but you should remember, as the facts go, that suddenly there appeared an article in the Egyptian press with some name-calling, which I don't want to repeat. And, of course, it hurts.

Then there appeared an article in which we were threatened with another October. As you remember, to everybody concerned, not to threaten us at all, because war threats cannot influence our attitude. Nobody frightens us with threats otherwise where are we going. This is the attitude of the whole people of Israel.

We want to negotiate, we produced a peace plan—a positive plan—we heard the most complimentary adjectives about our plan in the United States, in Great Britain, elsewhere. And on this we proved here our good will, and then suddenly we hear threats, so we didn't go into polemics. We only appealed not to issue such threats.

Then, in fact there was an interview given by President Sadat to the weekly, called October, which was also very regrettable. And again we didn't want to go into polemics.

Yes, ultimately that when we hear a guest saying that we must give up our capital city, the heart of our people, of course it was not only our right but our duty to tell him what we think about it, at the proper place, at the proper mo-

ment. So this is the actual development.

Time and again we suggested that the negotiations should be conducted in a calm atmosphere. Time and again on American television you heard me several times.

Now as the Egyptian Government issued its statement yesterday, which I read, it is a very, may I say, extreme statement. I suggest to you read it. Of course, our government had to issue its statement and to put the position clear.

Yes, today I spoke to a delegation from France. It was after the disruption of the talks in the framework of the committee—of the Political Committee—and I had to make a statement. It was a public meeting, and I did my best.

As far as the future is concerned, I can assure you from our point of view, if the Secretary is successful in convincing President Sadat that both committees should renew negotiations and we continue, we shall then be prepared to refrain from any public statement. Of course, in the basis of reciprocity, and let the two committees, in calm atmosphere, negotiate.

Q. As a mediator, an arbitrator, would you say that the basic problem lies in the fact that you're dealing on one hand with an emotional people, on the other hand with a pragmatic people? In other words, on the one side, one that can be swept by a dramatic peace initiative; on the other side, one that says: "No, wait a minute. What do you mean, actually?"

Secretary Vance: No, I wouldn't characterize it that way. I think that the difficulty is that we are dealing with very difficult and deep-seated issues that are very hard to reconcile, and that is the problem. One has to find the bridge between the positions on these very tough issues.

Q. Do you think you have a national consensus in favor of maintaining these settlements in northeastern Sinai the way you have a consensus against the establishment of a Palestinian state?

Prime Minister Begin: Like I said, it is a national consensus that these settlements cannot be removed, and I think I can also say that in the presence of my colleague, the Foreign Minister, that any government of Israel which would take a decision to remove the settlements would fall in Parliament, would have a vote of no confidence. And as we want to continue with our service, so we told openly, as I said to President Sadat at Ismailia, the settlements have to stay, and we have a

principle that we have to give Jewish settlements Israeli defense.

That is what I said to President Sadat at Ismailia. He heard it from me and was taking the minutes. I can inform you about my statement. Of course, I cannot tell you what President Sadat said. It is up to him. I will not divulge our private talk from his point of view.

Q. In all the forums that have taken place since President Sadat came to Jerusalem, he was remarkably consistent. He has said the price of peace is Israeli acceptance of all his demands, notably, the return of all Arab land including East Jerusalem, a Palestinian state, etc. Do you have any reason to believe that Sadat doesn't mean exactly what he said?

Prime Minister Begin: Why should I? But I would like to remind you that the day before President Sadat arrived here—excuse me, several days before he arrived here—he made that statement to the effect that Israel must withdraw from all the territories, as the name goes, and agree to a Palestinian state to be formed, in my language, in Judea, Samaria, and the Gaza district. And I answered him that both demands are absolutely unacceptable by Israel and will not be accepted by Israel. I added, if you Mr. President, want to come to Jerusalem and put out those two demands, you are entitled to, but you should know they would be unacceptable to us.

On these terms, President Sadat arrived in Jerusalem. Everyone of us knew his stand. In the Knesset he made a speech to the same effect, but I answered him and again explained our position. Now, what did we decide to do, both in Jerusalem and at Ismailia? We agreed that we have differences of opinion, and we agreed to start negotiations knowing that we have differences of opinion. And it is absolutely natural.

If you study all the negotiations to conclude peace treaties after the First World War, after the Second World War, in many parts of the world, you will see, and the Secretary of State will bear me out. He himself was involved in negotiations in Korea and about Vietnam. All the negotiations start from difference of opinion. Therefore, that was and that is the hope. We start from differences of opinion, and we do our best to reach an agreement. This principle stands.

Q. What is your assessment on the same point? Do you think that the Egyptians are prepared to give on these demands?

Secretary Vance: There are still differences on views on some of the issues involved, and insofar as their position

is concerned, I think it would be inappropriate for me, while we're deeply involved in private discussions, to disclose what their position is.

NEWS CONFERENCE, BARRAGES, EGYPT, JAN. 20^s

President Sadat: Really, I must seize President Carter and Secretary Vance for the very genuine efforts that they have done in the last few days to bridge whatever differences have arisen between us and the Israelis. Foreign Minister Kamel has reported to me yesterday, and I have expressed to Secretary Vance my gratitude for all the help that he has done there.

I think the peace process should head toward what we always are after and that is peace. Peace cannot be achieved through imposing settlements on others' land and also, not only imposed but to be defended also. This is really something, some logic that no one can understand in the world. The door to peace is not closed. But there should be, in this moment, a reevaluation of the whole thing because peace contradicts with any tread on sovereignty or land. This should be clear.

I don't want to answer or comment on what Premier Begin said yesterday in the Knesset. But I think anyone who reads his speech there can feel that I was right, because they want land, they want security, they want everything, and they are not ready, I mean, to understand that peace cannot be achieved except when it is built on justice.

We don't seek peace at any price, not at all. They will be wrong in Israel if they thought of this and, as I said, whenever they want to be in this area in cooperation and recognize, in spite of the fact that Mr. Begin, in his arrogant way, said in the Knesset that he doesn't need the recognition of anyone here. Very well, let us not start commenting on this because this is still the old arrogant way, and today or tomorrow he will see that Israel will not gain by it at all.

But peace, as everyone in the whole world knows, means that no one will tread on the land or sovereignty of the other. These are principles that should be known in this precise moment.

I must tell you also that in our discussions, Secretary Vance and me, as you may have never known and after President Carter contacted him and contacted me, we have agreed that the Military Committee resume its hard work here in Cairo like it was agreed on before, and we have agreed also that constant contact should take place between us in the future like it has taken

place before. And he has conveyed to me messages from President Carter. And I also asked him to convey to President Carter certain precise messages.

Secretary Vance: I want to express my great thanks to President Sadat for receiving me today. We had a very good opportunity to exchange views fully on the situation as it now stands and on the prospects for the future.

As President Sadat indicated, the door for peace is not closed. We all have the same objective of achieving a just and lasting peace. Insofar as the United States is concerned, we will continue to work with the parties to further this objective. And we will keep in the closest of contact to bring about this result.

Q. The President's views will undoubtedly be communicated by you to the Israelis. Now that you've cranked the peace talks down one notch, what are the conditions for getting the full talks going again?

President Sadat: I fear you are using the same phrasing of conditions. It's not conditions at all. I'm saying this: Peace means that no one treads on land or sovereignty of the other.

Q. Does that mean a declaration from the Israelis softening their position on settlements in the Sinai?

President Sadat: Which one declaration?

Q. I'm saying, if you say the conditions to get the talks going again are that neither impose on the sovereignty of the other, does that mean that Israel give up its insistence in keeping settlements in the Sinai on Egyptian soil?

President Sadat. Yes, until now, I didn't receive any change in this position, and as I told you from my side really, I think it is a joke rather than a fact.

Q. If the Israelis will pull back on that position and say that they'll give up the settlements in Sinai, Egypt will return to the political talks, the full peace talks?

President Sadat: Whenever Israel chooses to agree to the principles not to tread on other's land of sovereignty, everything can be resumed again.

Q [Inaudible]. Would you accept that the question of self-determination for the Palestinians be the result by evolution of the process of peace? Or do you insist that this political decision should be taken right now even before there is the beginning of peace between Egypt and Israel?

President Sadat: I don't see really the meaning of this question. We were working, all of us, upon a declaration

of principles in which Israel shows its determination to end the occupation of the land occupied after 1967 and the self-determination for the Palestinians. I don't know what do you mean by peace is not achieved between Egypt and Israel so that they can agree upon this.

We are working, as I told you, upon a comprehensive settlement. The needed minimum for continuing our work on straight lines should be this declaration of principles, the land of 1967, withdrawal from it, and the self-determination. Whatever time is needed to perform this, it is a matter of negotiation, and it can be agreed upon or it can be negotiated in a less dangerous situation like Israel is raising now.

Q. Do you think a declaration of principles should include the right of Palestinians to determine their own future the same way you put it in your statement at the Political Committee and as Mr. Carter stated it in Aswan?

Secretary Vance: The statement made by President Carter at Aswan reflects the views of the United States. In that statement we clearly stated that we believe that provision should be made whereby the Palestinians should be enabled to participate in the determination of their own future.

Q. Is your delegation going back to Jerusalem after Ankara and Greece?

Secretary Vance: Yes, Mr. Atherton will be going back to Jerusalem, and there will be two or three others who are part of that delegation who will be there.

Q. Could you indicate to us what went wrong since the Ismailia summit between you and Mr. Begin?

President Sadat: I think if you read the statement of Premier Begin during the dinner of 2 days before and then read his speech again in the Knesset yesterday, I think you shall find what you are after.

Q. To clarify a previous question, it means that there can be no peace treaty on the Sinai without a declaration of principles being first issued?

President Sadat: We are not after a peace treaty on the Sinai, as I say. We are after a comprehensive settlement. And in this comprehensive settlement certain principles should be agreed upon.

Q. The American side—Mr. Vance—has he presented to you any alternatives and are they acceptable for the declaration of principles?

President Sadat: As a matter of fact, yes. And we shall be studying it, and we shall be in contact, as I said, with him.

Q. According to Mr. Begin, there

are only two questions remaining in the Political Committee which didn't reach any agreement. Do both of you agree to this assessment?

Secretary Vance: There are several questions or principles involved in a draft of declaration of principles which we have been working upon. I don't want to go into detail except to say that there has been one principle which is the most difficult of all and that is the one which deals with the Palestinian problem and that is the one in which the differences remain and which is the most difficult of the issues.

President Sadat: I quite agree with what the Secretary says.

Q. Can we understand that you have reached any kind of agreement here in Cairo which Mr. Atherton will be carrying back to Jerusalem, and if you have reached any kind of understanding with the Israelis for further steps or there is no change in the Israeli position?

Secretary Vance: Yesterday I had conversations with the Prime Minister and with the Foreign Minister. I had further conversations with the Foreign Minister, Mr. Dayan. As a result of

Chronology of Recent Events

Jan. 3	President Carter meets with King Khalid and other government officials in Saudi Arabia.	President Carter telephones President Sadat.
Jan. 4	President Carter meets with President Sadat in Aswan, Egypt. President Carter makes departure statement dealing with the Palestinian problem.	Jan. 19 Secretary Vance meets with Prime Minister Begin in Israel.
	President Carter departs for France.	Jan. 20 Secretary Vance meets with President Sadat in Egypt.
Jan. 11	Military Committees headed by Defense Ministers Mohamed Abdel Ghani el-Gamassi of Egypt and Ezer Weizman of Israel begin talks in Cairo.	Secretary Vance departs for Turkey.
		Jan. 21 President Sadat states that he will continue his peace efforts (speech to the Egyptian Parliament).
Jan. 13	Israel and Egypt recess Military Committees' meeting. Defense Minister Weizman returns to Israel.	Assistant Secretary Atherton leaves Secretary Vance's party and returns to Jerusalem.
Jan. 14	Secretary Vance postpones departure for Jerusalem; he was to attend meeting of Political Committees (headed by Foreign Ministers Moshe Dayan of Israel and Mohamed Ibrahim Kamel of Egypt) scheduled to begin January 16.	Jan. 22 Israeli Cabinet unanimously agrees to delay returning the delegation to the Cairo Military Committees' talks which had been postponed until January 22.
Jan. 15	Political Committees' meeting delayed until January 17.	Jan. 23 Prime Minister Begin makes a speech to the Israeli Parliament dealing with the status of the peace negotiations.
	Secretary Vance departs for Jerusalem.	Jan. 26 Assistant Secretary Atherton and U.S. Ambassador to Israel Samuel W. Lewis meet with Prime Minister Begin and other government officials in Israel.
Jan. 16	Secretary Vance arrives in Jerusalem. He meets with Prime Minister Begin and other government officials and gives the Prime Minister a letter from President Carter.	Jan. 27 President Carter invites President Sadat to visit the U.S. for extended talks on February 4-5. President Sadat accepts the invitation.
		Jan. 28 Assistant Secretary Atherton pays a courtesy call on King Hussein in Amman, Jordan.
Jan. 17	Political Committees begin talks in Jerusalem.	Jan. 29 Israeli Cabinet unanimously votes to resume participation in Military Committees' talks in Cairo.
Jan. 18	President Sadat recalls Egyptian delegation to the Political Committees' Jerusalem meeting and announces that the scheduled January 19 meeting of the Military Committees will not be held.	Jan. 30 Assistant Secretary Atherton arrives in Cairo to meet with Egyptian government officials.
		Jan. 31 Israeli Defense Minister Weizman arrives in Cairo to resume Military Committees' meetings. □

those conversations, I think we made progress. I have reported what took place in those conversations to President Sadat. We had a very good exchange of views on that. I think as to what follows from here, this should be carried out by quiet conversations and it would not be appropriate for me to talk about them in a public press conference.

Q. You began today by expressing your gratitude to President Carter and Secretary Vance for the help that they have given you in the last couple of days. Have they given you help on substance as well as procedure? Can you enlighten us about what the Americans have done for you?

President Sadat: I don't think it is easy to tell the details of what has taken place, but I seize this opportunity really to express my gratitude because Secretary Vance really has made tremendous efforts to bridge whatever differences that have arisen between us and it is a fact, but this closing, what has taken place, there may be some time moment.

Q. When you came back from Jerusalem, you said that if you were not successful in the peace process you would go before your National Assembly and offer your resignation. It has been speculated now that that is precisely what you plan to do tomorrow when you meet with your National Assembly. Is this so, and if not, what are you going to tell them?

President Sadat: It is a matter of less than 24 hours, or a little more, when I shall be giving my speech tomorrow in the afternoon in my assembly, and I advise you to wait until you hear my speech.

Q. Just for clarification, you talk about the door to peace being open. Do I understand you correctly to say that if the Israelis were to make a statement on the settlements, that could revive the peace talks? And what kind of statement precisely would you want?

President Sadat: I feel you have not got the real conception of what I have already said. It is exactly as Secretary Vance has answered now. There is a very vital point—and this is concerning the Palestinians—that we didn't agree upon. The matter of settlements and so is another point of difference, but really, what worries me really is this: The whole approach to peace is being twisted because we are losing time on discussing, for instance, this settlement problem. And we shouldn't lose any time on it because, as I said, it is a joke. No one can agree for anyone to

impose settlements in his land and also continue in arrogance and say that we shall defend it there. I mean the correct approach is not, from the Israeli side, is not serious at all, to build peace based on justice. So let us try and find the proper approach again and I think it is, in its dimension, this approach is much bigger than the settlement problem also.

Q. Do you accept what President Carter said on the Palestinians about their legitimate rights and their being enabled to participate in the determination of their own future? Does that word-for-word, satisfy you? And if the Israelis accepted that word-for-word, would you agree to that?

President Sadat: We have agreed upon this fact in Aswan; about the statement President Carter gave in Aswan. Still, I must tell you this: The spirit behind the initiative is not correctly understood among Premier Begin and his aides. For that, I think the peace process would be useless now to continue on false principles.

Q. There is a feeling in Israel that you are using the reconvening and suspension of the Political Committee in order to create some pressure on Israel upon the ongoing of the negotiations. Wouldn't it be preferable to use the framework of the Political Committee in order to settle disputes of this nature?

President Sadat: This logic also again. It is not pressure at all when I say that peace cannot be built when someone is treading on others' land and sovereignty, and you are just using the same logic they use there in Israel. We don't agree to this at all. If the principle itself is agreed upon that no one should tread on others' land or sovereignty and these are principles, not conditions, and very essential for any understanding to come in the future, well, everything will be easy after that.

Q. Isn't the place for such a dispute in the framework of the Political Committee in Jerusalem?

President Sadat: As I told you, it appears that the proper channel that we should have adopted—the proper approach—has been twisted. For that I ask for this stand. I'm not putting pressure or conditions; I'm just putting a logic. Can peace be achieved when someone treads on others' land and even proceeds in his arrogance and says that he will defend it, also, on my land? Can peace be achieved by this? Or by treading on others' sovereignty? These are not conditions. And if it is like your Foreign Minister's speech the other day saying that we sit together and negotiate and bargain and then come half way or so. What is the half way for us? The halfway for us is losing land, losing sovereignty? No, if this is the form that you want us to work in, no.

Q. Do you think these mutual arguments about arrogance are contributing to the peace process?

President Sadat: Premier Begin used even much more harsh language than this.

ARRIVAL, ANDREWS AIR FORCE BASE, JAN. 22⁶

I have just completed a week of intensive discussions on the Arab-Israeli peace negotiations in Jerusalem and Cairo and a very useful review of our relations with Greece and Turkey.

I said in Jerusalem, and I repeat again here, that you have to expect ups and downs in negotiations which deal with issues vital to the negotiating parties. The United States has played this week, and will continue to play, an active role in helping to steady the course of Arab-Israeli negotiations. Difficult decisions will have to be made as the negotiations continue. We are determined to do all that we can to help the parties move forward.

The parties have made it clear the door to peace is open. We have urged both parties to resume their discussions in the Security Committee of the Cairo conference as soon as possible. Assistant Secretary Atherton will remain in Jerusalem to help them prepare for the resumption of discussions in the Political Committee. We believe it is essential the parties put behind them the public exchanges of recent days and try to recapture the spirit of a common search for peace.

I will report to President Carter tomorrow and to the appropriate committees of the House and of the Senate later this week.

CORRECTION

On page 910 of the Dec. 26, 1977, issue of the BULLETIN, Amir Abbas Hoveyda is listed under "Principal Government Officials" in the profile on Iran as Prime Minister. Although he held that position in Dec. 1976 (the date of the BACKGROUND NOTE from which the profile was taken), Jamshid Amouzegar was appointed Prime Minister of Iran in Aug. 1977.

THE EDITOR

OCEANS: Law of the Sea Conference

by Elliot L. Richardson¹

In the life of international conferences, a moment arrives when the elements of negotiations are so arranged after exhaustive and exhausting debate that a fair compromise comes within reach. If not seized, the opportunity for striking a final bargain which reasonably accommodates the fundamental interests of all may quickly and completely vanish. Such a moment has been reached by the Third U.N. Conference on the Law of the Sea. We shall soon know whether the delegates to this conference have the resourcefulness and whether their governments have the political will to find the formula for success.

This conference, unique in diplomatic history, is entering its fifth year. Although some observers have disparaged it as a tedious talkathon, the conference has in fact made remarkable progress on a vast range of issues of vital importance to the United States and the

world community. Provisions have been negotiated which safeguard traditional high seas freedoms within the 200-mile economic zone except for specific resource-related rights accorded coastal states by the convention. The generally satisfactory texts on transit passage of straits have survived. There have been improvements over previous texts in respect of environmental control and settlement of disputes.

Deep Seabed Mining

It is precisely because so much progress has been made that it would be bitter irony if the conference were to fail to resolve the single most difficult problem facing it—an international regime for the mining of the deep seabed.

You will recall the sense of frustration and disappointment we felt at the end of the last session of the conference [May 23–July 15]² because the text of the exploitation and governance of

the seabeds area grafted at the last moment onto the Informal Composite Negotiating Text (ICNT) departed so radically from the compromise drafts which had emerged from full, fair, and open discussion. And yet, although the ICNT provisions on seabeds are totally unacceptable to the United States, the ingredients of a fair and reasonable compromise are still within the grasp of the conference.

The compromise, which I am convinced we can achieve, must accommodate the essential interests of the proponents of contending philosophies. Further, it must be premised on acceptance of the fact that the maximum objectives of neither can be fully realized. The key to producing the requisite change in the dynamics of the conference is the readiness to concede that politics—international or national—is still the art of the possible.

That the search for consensus on seabed mining should be the most controversial, complex, and difficult business still before the conference is hardly surprising. Unlike much of the work of the conference, drafting a constitution for the seabeds is not an exercise in codification of existing or emerging international law, but rather an effort *de novo* to create by consensus new international institutions in a field where there is no prior experience or legal precedent.

The conference unanimously agrees that the resources of the deep seabed are the common heritage of mankind. It agrees that their exploitation should be managed on behalf of all mankind by an appropriately designed international authority. It also agrees that the developing countries should share in the proceeds of mining the deep seabeds.

Key Issues

Disagreement centers on three principal issues.

- The first is the system of exploitation of the seabed. This issue opposes those whose optimum position calls for unlimited access to mine sites for qualified companies and state enterprises against those who would prefer to see all exploitation reserved for the international equivalent of a government monopoly. The issue posed is essentially one of economic pluralism versus state centralism projected on a global scale.

- The second is the resource policy which guides and regulates seabed production. This issue involves many complex international economic questions, such as whether all minerals on the seabed are subject to control by the

[International Seabed Resource] Authority and whether the Authority's powers should extend to fixing prices and regulating markets. The question which perhaps most sharply divides the conference is the extent to which the production of seabed minerals should be limited. Here the interests of consumers of these minerals—mainly nickel and copper—clash with those of land-based producers of the same minerals. Consumer interests would benefit from a liberal policy of unfettered production of seabed minerals; land-based producer interests, conversely, would benefit from a restrictive policy of limited production.

- The third contentious issue is the question of the governance of the international institutions created to manage seabed mining. This too is a multifaceted problem. The point of most intense dispute concerns the degree to which the international authority should be controlled on a one nation, one vote basis versus the degree to which recognition should be accorded to such major interests as those in production, investment, and consumption.

A country's position on any one of these three issues does not in itself, of course, determine the country's position on either of the other two. For example, some land-based producers favor a pluralistic exploitation system and rigid production controls. Some developing-nation consumers favor a monopolistic approach to exploitation but a liberal resource policy.

Despite these disparate interests, the seabeds debate has tended to divide all participants in the conference into two groups. The first group favors a pluralistic exploitation system, a liberal resource policy, and a council which encourages production. The second group takes the opposite position on all three issues.

The first position would in combination have the effect of transforming the concept of the common heritage of mankind from a noble aspiration into a reality for the practical benefit of all. The second position, in contrast, would leave the common heritage a promise unfulfilled.

One might suppose that the developing nations would take an approach which would give practical meaning to the idea of the common heritage. That they have not consistently done so is surprising. The result is a triumph for ideology over economic interest. It has led, ironically, to an artificial division between the developed and developing countries. All developing countries are consumers; few are land-based producers. All developing countries,

moreover, could share in the proceeds of seabed mining. Despite conference rhetoric that has so often assumed the contrary, the seabed mining issue does not on its merits lead to confrontation between developed and developing countries. To the extent that confrontation has developed, it has been in spite of the real interests of the great majority of states.

These underlying interests have helped, nevertheless, to bring the three key issues of exploitation, resource policy, and governance to the point of possible resolution. But there is another reason why compromises should now be achievable. It is that the negotiations to date have demonstrated that neither side of the conference can impose on the other its preferred approach with respect to these issues.

Exploitation. As to the system of exploitation, those who favor an international monopoly have realized that their approach will certainly condemn exploitation of seabed minerals under an international regime at least to indefinite postponement, for such a regime will not attract investment and cannot generate technology. The monopolists have therefore had to yield to economic realities. Those who favor a pluralistic approach have had to recognize that the developing countries cannot accept a system under which they will share in the proceeds of seabed mining but not in its operation and development. Awareness of these realities has forced the negotiation in the direction of a dual system embracing both modes of exploitation. All that is now necessary for a final bargain is for each side to agree that the other's half of the dual system must be made workable and that both halves will be permanent until and unless otherwise agreed at a review conference.

For such an understanding to become a reality, two mutually binding conditions must be met.

- The economic viability of the pluralistic side must not be undercut by such deterrents to investment as unreasonably burdensome financial arrangements, impossibly vague terms for negotiation of contracts, or unrestricted discretion in the international Authority. Any constraint on deep seabed mineral production must be straightforwardly set forth in the resource policy, not smuggled in through a side door.

- By the same token, the international entity (the "Enterprise") must be given the practical means of getting into production, not stifled at birth by inability to gain access to funds or technology. This is why, in response to

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the fears of the developing countries that without startup financing for its first site the Enterprise could be an empty shell, we offered some time ago to assist in such financing.

Resource Policy. With regard to resource policy, the developed countries believed that they had made a major concession when they agreed that seabed production might be limited to the cumulative growth of the world market for nickel, thus protecting land-based producers from adverse consequences to their economies as a result of seabed production. Unfortunately, the land-based nickel producers pressed their advantage, unreasonably we think, and insisted that they should be guaranteed half the growth of the nickel market without regard to economic factors. They were able, moreover, to enlist the support of the land-based producers of copper, although seabed production of copper will not significantly affect the world copper market in the foreseeable future. Given current estimates of the rate of growth of the nickel market, the result would be a ceiling on seabed production so low as to prevent both its efficient development and its equitable sharing. The degree of protection which the land-based producers seek is, in our view, far greater than they need or should reasonably expect.

In this area, too, there will be no way out if either side persists in an extreme approach. Stringent controls which stifle production simply cannot and will not be accepted by the industrialized importing countries.

Governance. Regarding governance of the institutions to manage seabed operations, the dispute centers on the question of how best to afford adequate recognition to interests which it is essential for the world community, not merely the developed countries, to foster and promote.

As it now stands, the ICNT would create an assembly with "supreme" legislative and regulatory power. The assembly would be founded on what is at best an anomalous principle—one nation, one vote—which bears no rational relationship either to the principles of democracy or to the distribution of power, values, and interests. The issue is not one of a "majority" versus a "minority." It is a question, rather, of the identification and the balancing of the valid interests at stake—those of consumers, producers, investors, regional groups, and developing countries. "Sovereign states" are only surrogates for such interests, and imperfect ones at best. To allow resources constituting the common heritage of

mankind to be disposed of by a nose-count of nations would be a bad precedent for the international institution-building of the future.

The conference itself, be it noted, has recognized that no true consensus can be produced by majoritarian procedures. It is for this reason that the conference rules permit a vote only when every effort to achieve consensus has been exhausted. It is for this reason also that the leaders of the conference share the aim of deferring all voting until the last possible moment and of restricting it then to the smallest possible number of issues. If fair compromises are reached on the first two of the key seabeds issues—exploitation and the resource policy—it will be on the basis of accommodations fairly reflecting legitimate interests in due proportion to their true weight. It follows that a fair compromise on the issue of governance must rest on the creation of a council which operates as the executive branch of the Authority with membership, powers, and voting procedures that can achieve the same kind of accommodation.

Given a readiness to strike fair bargains on each of the three key issues I have outlined, the deep seabed mining problem can be solved.

Future Prospects

What are the prospects that this will happen? The intersessional meeting of the conference to be held in New York early in February may provide some answers. This will be the first real test since last summer of the readiness of the conferees to entertain compromise solutions on major substantive issues. We have some reason to be encouraged. Recent informal consultations showed strong, broadly based sentiment in favor of procedural arrangements which could facilitate agreement. Such procedural innovations, if carried into effect, should meet the concerns about due process in the deliberations of the conference which I expressed at the end of the last session. The consultations also reached agreement on a list of specific difficulties with the seabeds part of the current negotiating text. These are precisely the ones which the United States believes require urgent attention; collectively they will comprise one of the three agenda items at the intersessional meeting.

I must say in all candor, however, that the road to successful conclusion of the conference will be arduous. Sharply divergent economic and ideological perceptions still prevail.

Communication across the lines that divide the participants remains difficult. And yet, as I have tried to show, the elements of a fair deal are present nonetheless.

Do the parties really want one? There is a pervasive sentiment among most that successful conclusion of the conference is so important as a precedent for constructive international cooperation that the conference cannot be allowed to fail.

The United States will do its part to achieve an equitable and durable outcome. We will go halfway to meet those with whom we differ. To go beyond that would be not only to sacrifice our own essential interests but to acquiesce in a global system incompatible with the interest of all countries in encouraging efficiency and innovation. I will not support, nor would I commend to the President, a treaty which creates a regime for the seabed that I cannot honestly defend as offering a reasonable basis for American companies to risk the enormous investments demanded by deepsea mining.

Rather than accept outcomes which we consider wrong for the United States and, we believe, would be wrong for the world community as well, we would reluctantly choose to forego a treaty. The United States does not need a comprehensive treaty more than other nations. Seabed mining can and will go forward with or without such a treaty. We have the means at our disposal to protect our oceans interests if the conference should fail, and we shall protect those interests if a comprehensive treaty eludes us.

If, however, others are prepared to bring understanding, good will, and common sense to the effort to achieve a fair and broadly acceptable comprehensive treaty, the United States is prepared to join in that effort. For such a treaty in our view is objectively the best assurance that there will be predictability, stability, and order in the uses and management of ocean resources.

If these past 4 years of travail are finally crowned with success, as I hope they will be, the results will be felt far beyond the oceans in every endeavor where nations come together in an attempt to bring a sense of sanity, order, and stability to a troubled world. □

¹ Address to the Seapower Symposium of the Cincinnati Council of the Navy League of the United States, Cincinnati, Jan. 18; Ambassador at Large Richardson is Special Representative of the President for the Law of the Sea Conference.

² For Ambassador Richardson's statement to the press on July 20, see BULLETIN of Sept. 19, 1977, p. 389.

Visions of the Future

by Patsy T. Mink¹

I am particularly pleased to have the opportunity to take part in this most auspicious gathering. "Oceans '77," both this conference and the particular concept which it represents, provides a unique occasion to view the oceans not only from our own contemporary perspective but also to assess the role of the oceans in the future.

We live in a precarious age, an age of uncertainty. Our global commonality is based upon the simple fact that we share, in the words of one leading commentator, a community of danger. The most characteristic feature of our period is its multiple dilemmas. Ours is a time in which humanity has reached a critical crossroads, an historical juncture where hard choices and difficult decisions must be confronted. Diverse and complex dilemmas even now pervade and dominate our public life.

- We exert every national effort to insure peace, not only for ourselves but among all nations of the world. Yet, at the same time, we continuously prepare for war, devising increasingly sophisticated weaponry, the production of which consumes substantial quantities of our national resources and creativity.

- We are, by any given index, the most powerful nation on Earth; yet, we often seem to be unable to effectively use this power. In a world of unbridled sovereignty and untamed nationalism, we sometimes fail to influence even small states from political aberrations at home—especially in the area of human rights—and military adventurism abroad.

- We, both developed and developing societies, are deluged by a rising tide of demands and expectations, issuing both from our national and international environments; yet we face squarely the reality of insufficient disposable resources.

- We live in a world of obvious interdependence—indeed some would speculate that we are even now witnessing the emergence of a truly global society; yet our international institutions and processes are still characterized—as the recently concluded sixth session of the Law of the Sea Conference amply demonstrates—by political, economic, and ideological fragmentation.

- We—and here, I think, the United States can be fairly excluded from this generic category—cling to an international diplomacy which postulates conflict and confrontation as cardinal values; yet the global problems and issues which we face—and which may yet consume us—require the maximum of multilateral collaboration and cooperation for their resolution.

Contrasting Views

Opposing trends and contrasting values in our contemporary national and international existence have thus given rise to diametric visions of our future. Ironically, our present age of uncertainty has fostered optimism in some and pessimism in others. Indeed, there are two prominent visions of our future world, both buttressed by attitudinal assumptions and presuppositions, both molded by the character of our times, and both pertinent—indeed central—to the role of the oceans in our future global development.

The first vision holds that we are moving toward a postindustrial society, an age of growing technological wonder, a nirvana of ever-increasing growth and development. The advocates of this view are 20th century followers of the cult of enlightenment, the progeny of our own technological era. They come from areas developed, technologically advanced, and heavily industrialized as well as areas still in the throes of development.

Disciples of this view believe strongly in the curative powers of science and technology and embrace progress, advancement, and growth as a global creed—an ideological motif which they see as the salvation of mankind and to which they cling with absolute confidence. They are certain that the twin pillars of science and technology can and will solve the world's problems, whether localized or of planetary dimensions. They see no perceivable impediments to growth and, if any exist, they believe we can overcome them through either the prospective abundance of extraterrestrial regions or from resources on Earth—from areas such as the oceans—which will soon become available for man's wide-ranging exploitation and intensive use.

This view holds that with our current technological potential, growth is—and will remain—purely a matter of human

choice. If one accepts this concept, then rather than a desperate hour of crisis, we are now at the threshold of a global renaissance—the most creative and expansive period of our history.

There is, of course, a contrasting view. In this second vision—the attitude of unbounded optimism, the portrait of unlimited growth and development—the prospect of "more and better for everyone" is considered unrealistic and perhaps irresponsible. The Earth, in this somewhat pessimistic view, cannot sustain unlimited growth and expansion, economically and/or demographically. Advocates of this view, who adhere to the concept of limited growth, therefore assert that our first vision of the future is not only incorrect in its prognosis but also essentially false in its assumptions. The message which they bring echoes a common theme: If we unwittingly and mindlessly proceed with unfettered growth and development, we shall be advancing toward a global precipice (perhaps a universal Armageddon) marked by famine, resource depletion, and environmental collapse.

Thus, we must now begin to recognize that the Earth is both finite and exhaustible; that it is subject to irreversible disruption, disorder, and perhaps even collapse if care is not taken to maintain its essential integrity. Should we fail to perceive correctly the limited carrying capacity of our global environment, should we fail to recognize limits to our own human propagation, we may imperil our own survival. Their call, therefore, is for rational action and planning on a global scale, a long-term programmatic approach to growth and development—one which highlights, in a rather urgent and dramatic way, the need for a detente between society and nature.

These, then, are the contrasting views we must consider. As public officials charged with a mandate to protect a wide variety of national interests, both present and future, while at the same time recognizing that our very survival as a nation—or even humanity's survival—may depend on the choices we now make, we—this Administration—have assumed a tremendous responsibility.

In recognition of this, President Carter, in his May 23 environmental message, directed the Council on Environmental Quality and the Department of State—working in cooperation with the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and other appropriate agencies—to make a 1-year study of the probable changes in the world's population, natural resources, and en-

vironment through the end of the century in an effort to assess the state of the future. This study will serve as the foundation for longer term planning. Thus, the imagination and energies of the highest political authorities of our land are now focused on these problems. But what of the warning sounded by the limits-of-growth advocates?

Although many of you may disagree with their conclusions (of the limits-to-growth scenario) you cannot deny the validity of certain trends in our contemporary global development.

- Population, on a global scale, is steadily increasing. If we maintain the current growth rate of 2%, we can expect that world population will double every 35 years. This means that by the year 2011, the world's populace will have increased from its current 4 billion to 8 billion people. If this average growth rate were to be maintained until this time next century, it would take only 1 year to add 1 billion to the existing population and only 4 years to add the equivalent of our present world population.

- Resources are being depleted. Even the most conservative estimates are projecting that we will literally run out of certain mineral and energy resources, given anticipated world rates of consumption, within the next three decades. In a world of uncontrolled population increase, this trend is indicative of the magnitude of challenges which coming generations will face.

- Although more difficult to quantify, ecological imbalance has indeed become an issue of grave concern and unforeseeable consequences. Ominous warnings of environmental degradation are issued daily. Some predict that we are depleting our protective ozone layers. Headlines warn of our global despoilation of rivers, lakes, and streams. The flow of pollutants through rivers and the atmosphere is responsible for 80% of the contamination of the world's oceans. Increasingly frequent spills of oil and chemicals are growing and disturbing occurrences. Continued rapid and progressive depletion of our forest and vegetative cover could produce, in the long term, dire environmental and agricultural consequences. And the unknown ability of our oceans and atmosphere to continually absorb the 20-plus billion tons of carbon dioxide, emitted annually from fossil-fuel combustion, is an issue of major public and political concern.

The causes of these phenomena are international in origin and transnational in scope and impact. They have

become major concerns of multilateral diplomacy and constitute an important element in American foreign policy. They are, therefore, important issues not only on the agenda of America but also on the agenda of the world.

These cataclysmic warnings of our future—warnings which have emanated primarily from within the scientific and technological community—confirm that we have reached a critical period in human history.

Role of the Oceans

Given our two visions of the future and our current state of uneasiness and uncertainty, what is the role of the oceans and their possible development in promoting a desired future world? Can the oceans help us in our efforts to avert future global disasters? Are they a boundless pool of resources which will sustain mankind's needs for generations to come?

For those concerned with ocean affairs, these are questions of some urgency. This is especially true since we are now entering a new stage of ocean development—a period of vast potentialities as well as possibly unforeseen dangers. Almost certainly the oceans can help in solving some of the world's present and impending problems. However, depending upon our long-term efforts at management, preservation, and conservation, we could, at the same time, intensify and broaden the dimensions of our present dilemmas. In the oceans, as on land, we are thus confronted with a situation of grave decision and choice.

The oceans can, given substantial commitments of capital and the requisite scientific and technological breakthroughs, help in supplying the food and nutritional requirements of a growing world population. However, given current population trends, the specter of a neo-Malthusian world will continue to persist. This specter, this alarming expectation of an impending population crisis, can only be dispelled through more vigorous national actions—especially by those developing countries most affected—coupled with enhanced international assistance to accelerate social and economic development and to curtail population growth.

Although we will certainly augment our agricultural and other food-producing resources in the long term, this prospective achievement cannot successfully and totally defuse the population timebomb. Nor for that matter can we simply insure the worldwide availability of affordable contraceptive means and expect to

limit population growth thereby within reasonable bounds. What is needed—indeed what is imperative—are:

- First, a simultaneous attack on poverty and population growth with all of the attendant economic, political, social, and agricultural reforms inherent therein; and

- Second, conscious and collective efforts and policies which seek to balance population with available resources.

Unless and until these efforts are undertaken, continued population growth implies the possibility of wide-spread famine, increased environmental degradation, turbulent civil disorder and political fragmentation, and a consequent destabilization of international order and progress.

Food from the sea can help to delay and perhaps alleviate some of the problems. Although we now harvest an average world fish catch of 70 million tons, many experts believe that this total can be considerably increased. Estimates vary, but many agree that a future annual global fish catch could be doubled or even tripled.

This would require the exploitation of new areas and presently unexploited resources—unconventional species such as midwater fish or krill—as well as the application of new technology. There are a host of anticipated improvements in fishing methods and technology, including new ship and gear designs and the application of novel location and capture techniques. Such increased efficiency when achieved on a large scale will, of course, redound to the benefit of the consumer, both here and abroad, resulting in an enhanced availability of nutritionally rich foods, at lower costs, in an increasingly protein-short world.

In another area, the full potentials of mariculture have not yet been adequately studied. One source, although perhaps overly optimistic, has calculated that there are about 1 billion acres of coastal wetlands in the world. If only 10% of these—100 million acres—were put into simple extensive mariculture projects, this could result in the production of 100 million metric tons of fish per year.

Of course, living resources of the oceans are not a panacea for an impending world population explosion. However, foreseeable developments in fish culture and technology—which can only be made possible by farsighted policy decisions and the necessary advances in science and technology—

could give us a much needed leadtime until a runaway population growth is slowed, in much the way the "green revolution" has provided a respite. Moreover, as the rate of population growth decreases, food from the seas could provide a reasonable hope that future problems of world hunger and nutritional deficiency can be alleviated and perhaps even overcome.

We have another problem where the oceans may help us. With diminishing supplies of land-based minerals and energy, the oceans contain vast unrealized reserves which we may be able to increasingly draw upon to meet energy and resource needs in both developed and developing countries. This is an aspect of oceans development which impinges directly upon the national security and economic prosperity of the United States. Our dependence upon foreign sources of petroleum is growing—42% of our oil was imported in 1976; projections estimate that imports will exceed 50% by 1980. Consequently, we will and must, in the interest of our own national security and welfare, increasingly turn to the oceans for our needed energy supplies. Currently, U.S. offshore oil and gas production constitutes about 20% of total U.S. production. If we assume an expedited Outer Continental Shelf leasing schedule, offshore production could, according to some sources, reach a peak of 1.5 billion barrels a year by 1990. Given current projections, this would represent approximately 14% of our total national consumption by 1990.

Globally, offshore crude oil production has and is expected to continue to expand at a comparable rate. For example, between 1969 and 1973 global offshore production increased from 6.2 million barrels per day—or 15% of global production—to 10.4 million barrels per day—or 18% of total world production. Also, new offshore discoveries of oil and gas are being made at a steady pace.

In addition to traditional energy sources, the oceans also house a potentially inexhaustible reservoir of energy in the form of hydroelectrical power from wave and tidal motion, mechanical energy from the exploitation of oceanic temperature and/or salinity differentials, and the possible conversion of marine plants into useful fuel (e.g., methanol) or fuel-extenders. These ocean-generated power sources, although still in the experimental stages of development, are possible sources of energy which may in the future be harvested for so-

ciety's benefit and utilization.

We also know that the bounty of the oceans in terms of mineral resources approximates the magnitude of its wealth in fossil fuels. Prospective deep seabed mining for manganese nodules, as we are all well aware, is currently a focal point of world attention. From a national perspective, the United States is a net importer of all of the metal components recoverable from the nodules. We import nearly 98% of our total national consumption of manganese and cobalt and with regard to nickel and copper, about 70% and 10%, respectively. Because of the various uses to which these metals are put, they are considered by many as strategic to our national security and economic well-being.

Furthermore, the oceans contain—in unconsolidated sediments, brines, seawater, and subfloor deposits—a host of other minerals and chemicals

Foreign Fishery Allocations¹

Under the Fishery Conservation and Management Act of 1976, the Department of State, in cooperation with the Department of Commerce, annually determines the allocation among foreign countries of the total allowable level of foreign fishing within 200 miles off the coasts of the United States.

Due to the increasing U.S. fishing capacity and the poor condition of certain stocks, foreign allocations for fish off the Atlantic coast have declined over 50% from 1977. The 1978 Pacific allocations are approximately the same as for 1977.

Each country with an allocation has signed a governing international fisheries agreement with the United States which establishes the principles and procedures under which a country may apply to catch a portion of any surplus resources available for foreign fishing. Foreign countries can only fish for resources which are beyond the present harvesting capacities of U.S. fishermen and must fish in accordance with U.S. regulations and permit procedures. The main fisheries on the Atlantic are hake and squid; on the Pacific they are hake, cod, flounder, pollock, and squid. □

¹ Tables on 1978 fishery allocations by species for each country are omitted; for full text, see press release 541 of Dec. 2, 1977.

which may also help to ward off impending mineral shortages or depletions. A characteristic list of these mineral and chemical resources would include phosphorite, silica, sand and gravel, gold, tin, platinum, zircon, sulfur, monazite, magnetite, diamonds, iron ore, titanium, chloride, magnesium, sodium, bromide, and a variety of toxins, drugs, and pharmaceuticals from a diverse spectrum of marine organisms.

This list of ocean resources, both potential and actual, could obviously be expanded, but most of you here are better schooled than I in these technicalities and details. My purpose is simply to underline the increasing importance of the oceans in any future world view.

Danger of Exploitation

But a cautionary note must be sounded: There are as many inherent dangers as potentials in our development of the oceans. Without proper planning and coordination, we could overfish, overexploit, overcontaminate, and, consequently, further degrade the oceans in our efforts to retrieve their bounty.

- We could view—or continue to view—the oceans as an immense disposal with unlimited capacity for engorging our seemingly interminable flow of wastes.

- We could forget that the oceans' natural ability to treat and recycle manmade wastes is a global necessity.

- We could disregard the reality that the oceans are a central factor in the total world ecological equation.

- We could, in other words, in our hasty pursuit of growth, forget that the oceans too have their limits. This lack of vision, this lapse in ecological consciousness, could only quicken the reality of a global crisis.

In earlier times, when human needs could not totally be met on the land we occupied, we turned to the sea. These earlier ventures led to great explorations, new discoveries, and exciting vistas. New empires were built. The oceans opened to us a formidable frontier which we have since overexploited to the point that many are now beginning to question the continued endurance of our planet.

Today we look to the oceans for help. (The terms of reference have changed somewhat.) We no longer seek to conquer the oceans to find treasures of gold, silver, and spices in foreign lands. Now we are in pursuit

of fish, oil, and natural gas; nonfossil sources of energy, manganese nodules, and a host of other minerals.

We are now at a new era. We seek not the horizons but the wealth of the oceans themselves. We seek not to master the oceans but rather to become partners for the benefit of mankind as a whole.

In the oceans, as on the land, we face a classic dilemma: We can plunder or preserve, protect or pollute. We can forcibly take the ocean's resources or, with her acquiescence, gently nudge them from her embrace. From my vantage point, our choice is rather clear.

This evening, I call upon you—scientists, technical experts, environmentalists, and corporate executives—to summon up the courage, concern, creativity, and conscience to learn to live in harmony with the oceans. If generations which follow us are to inherit at least our world, my call is more than an issue of challenge, more than an expression of hope; it is truly a moral imperative and a question of human survival into the year 2000. □

¹ Address before the Oceans '77 Conference in Los Angeles on Oct. 18, 1977; Ms. Mink is Assistant Secretary for Oceans and International Environmental and Scientific Affairs.

POPULATION: World Trends

by *Marshall Green*¹

I greatly appreciate the privilege of being included in this distinguished gathering to discuss world population issues and their impact upon the lives of all of us and especially upon the fortunes of our children and grandchildren.

My comments will be directed toward the world at large, with special emphasis on the less developed regions. That is where population-generated and population-exacerbated problems are most acute. Developed countries have their own population problems, but they are of a different type and scale.

There are two aspects of this conference that deserve special mention.

- One is that participants are drawn from so many walks of life, prominently including economists and business leaders. As a rule, population is the rather exclusive domain of demographers, doctors, and—I might say—oomsayers as well. But it must also include diplomats, development planners, and dozens of other disciplines. Above all, it must engage the interests, commitment, and active involvement of the political leaders of the world.

- The other noteworthy feature of this conference is the context in which population issues are raised. We are here to talk about the relationship between demographic trends, employment, change, and the quality of life.

Too often we think of population growth in the all too narrow Malthusian terms of food and population—that is,

whether there will be enough food to go around for a world that is currently adding over 200,000 more human beings every day. I do not wish to minimize the crucial importance of the food-population ratio, bearing in mind the problem of chronic malnutrition in less developed countries (LDC's) and its grim ramifications; the recent upturns in death rates in parts of India, Bangladesh, and elsewhere due to local food shortages; and also bearing in mind the dependence of less developed countries on grain imports which help drive the poorer among them ever deeper into debt. Even with decelerating growth rates—projected under the somewhat outdated but still broadly useful U.N. medium variant—LDC population will be adding some 78 million a year in the beginning of the 1980's. Toward the end of this century, this increment may gradually rise to over 90 million a year.

Other Implications

So food is obviously a vital concern, but there are other serious implications of these aggregate numbers.

Family Hardship. First and foremost, rapid population growth creates immeasurable hardship on the family, particularly the wife and mother. Women in many LDC's have little function in life save constant childbearing and drudgery. Maternal mortality is still very high. A large proportion of children die before reaching adulthood. And the larger the family, the dimmer the prospects of surviving children.

Ecological Deterioration. On the

national level, there is the problem of ecological deterioration whose relationship to population pressure is just beginning to be appreciated and studied. Europe, North America, and Japan are the big polluters, but desperate efforts by developing nations to keep food production in step with both the growing population and rising demand have resulted in slash-and-burn farming, overcropping, and overgrazing. Together with the destruction of forests for fuel, these practices have resulted in the removal of millions of hectares of forest cover and the attendant loss of irreplaceable topsoil washed away by rains.

It would be no exaggeration to describe Nepal, Haiti, Java, and other places as ecological disaster areas. Likewise, overgrazing in the Sahelian Africa and firewood collection contribute to advancing deserts and a total desiccation process that affects virtually all countries of Northern Africa, even including the coastal states on the Gulf of Guinea. The United Nations Environmental Programme estimates that during the fourth quarter of this century, twice as many hectares will be lost to urbanization and soil degradation (mainly erosion) as will be added to land under cultivation.

Frustrated Development. It is not necessary to underscore before this audience the fact that excessive population growth frustrates economic development and the fact that production increases are literally eaten up by the rapidly increasing number of mouths and by swelling costs for social infrastructure. I heard that Bangladesh, for example, has to provide 350,000 more tons of grain each year to feed its growing population. It likewise must provide each year something on the order of 300,000 more dwellings and 700,000 more jobs just to accommodate the additional population. How does development proceed when infrastructure costs are so high?

Urban Overpopulation. Perhaps the most vividly perceived ills of overpopulation in less developed countries can be found in their cities. During the first half of this decade, the rate of growth of urban populations accelerated to an average of 4.0% a year, compared with a 2.3% growth rate for the total LDC population. Due to a combination of natural increase (excess of births over deaths) and heavy immigration from rural areas (estimated at over 70 million between 1970 and 1975), the total LDC urban population has now surpassed the absolute number of urban dwellers in the highly urbanized developed countries.

This demographic milestone is par-

ticularly significant because, despite the huge absolute size, the urban component in LDC's still comprises only a little over one-fourth of the total population, compared with two-thirds in the developed world. Moreover, despite the heavy outflow of people to urban areas in search of jobs and higher standards of living, the LDC rural population, due to high birth rates, was still increasing by an average annual rate of 1.7% during the early 1970's. By sharp contrast, rural population in the developed regions has been declining over the past 2½ decades.

The surge of humanity from rural areas, combined with high birth rates, has also produced unprecedented concentrations of people in single urban agglomerations. As an example of an urban planner's nightmare, we may take note of one U.N. projection which envisages a Mexico City of 32 million inhabitants by the year 2000. All the while, as observed in a 1977 report by the Economic and Social Commission for Asia and the Pacific, "pressure on

arable land and poverty in the rural areas is increasing, while problems of unemployment, squatters, and shantytowns in the urban areas are becoming immense." There is little doubt that deplorable living conditions—whether in rural or urban localities—spawns unrest, crime, and political extremism. Many governments feel constrained in this situation to increase authoritarian controls to preserve law and order.

Increasing Unemployment. Now we come to a major concern of this conference—population and employment. Most less developed countries face a prolonged period of rapid expansion in the size of their population of working ages. Taking LDC's as a whole (excluding China), population 15–64 years of age will be growing at an annual average rate of about 2.9% throughout the remainder of this century. In the next 25 years, working-age populations in LDC's will more than double. During the same period the socially and politically volatile,

unemployment-stricken age group 15–24 years, is projected to grow almost as rapidly, even with the built-in assumption of moderately decreasing fertility.

The rate of growth of the labor force in less developed countries is expected to accelerate in the next 20 years. With due regard to the perils of estimating future labor participation rates, especially among young people and women, the International Labor Organization projects an increase in the rate of growth of the labor force from 2.4% a year between 1975 and 1980 to 2.6% in the early 1990's. As high as this pace of expansion is, we must bear in mind that about two-thirds of the total LDC labor force is still in agriculture. Thus, the much more rapidly expanding requirements for job creation outside the agricultural sector are likely to outpace in many LDC's the growth of necessary capital. Clearly, direct remedial and broadly developmental policies will have to deal with both the increasing backlog of unemployed and underemployed and with the large annual in-flows of new entrants into the labor market.

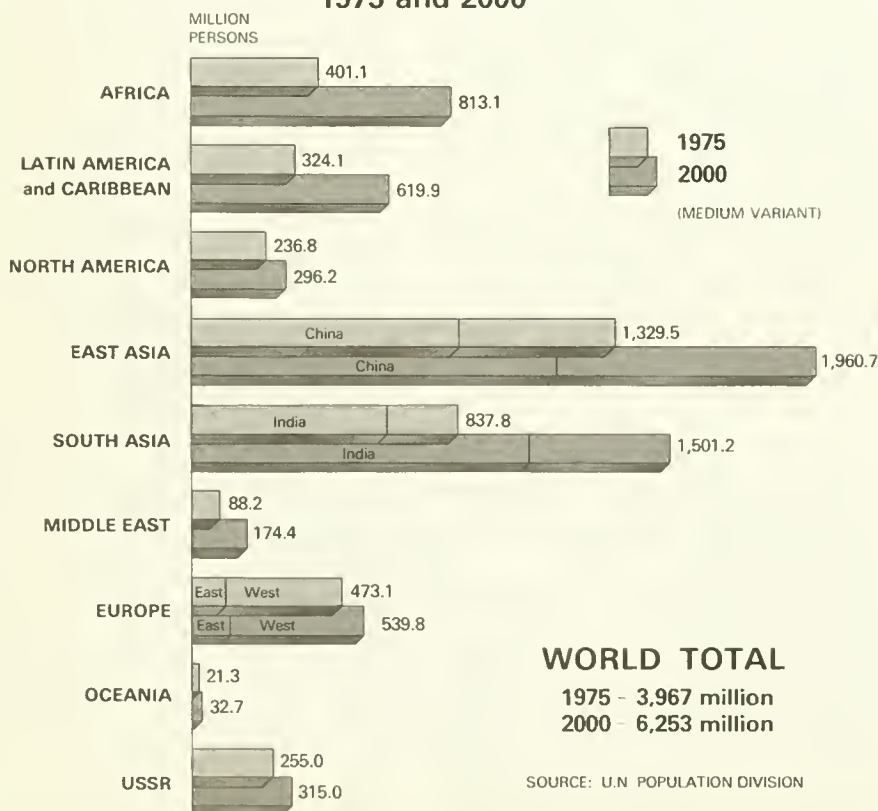
Here I wish to enter a note of caution with regard to what advanced technologies can do to alleviate unemployment. In fact, they can aggravate unemployment. When I was Ambassador to Indonesia [1965–69], I joined President Suharto one year in the annual rice harvesting ceremonies. Together with countless hundreds of thousands of Javanese farmers, we all began to cut the rice, one single stalk at a time, with a little knife (called *ani-ani*) tied across the middle finger of the right hand. No agricultural machinery was used, not even scythes and sickles. Had such implements been used, it would have contributed to a major expansion of unemployment and underemployment tearing apart the social fabric of overcrowded Java, an island with a population today of 85 million. Similarly powered fishing vessels could throw thousands of Javanese fishermen out of work.

I am not concluding that the Javanese and others in poorer countries are doomed to continuing forever such low-productivity methods of farming and fishing and other pursuits, but I am suggesting that there are great social and political difficulties involved in any change in present low-technology methods.

On the whole, the labor supply situation is virtually irreversible in this century. Birth control can have no effect on the number of potential job seekers already born. Intensified efforts to re-

POPULATION GROWTH BY MAJOR REGIONS

1975 and 2000



duce current fertility levels are, nevertheless, essential:

- As a means of controlling total consumption to forestall deterioration of the still inadequate per capita consumption levels;
- As a means of maintaining the viability of family life; and
- As a means of laying the foundation for a situation with which our successors can cope and perhaps succeed in providing productive jobs, adequate food, shelter, and other essentials of life in a habitable environment. After all, it is not only a matter of how many people can survive on this planet but how many can live on it decently.

Controlling Population Growth

Let me now turn to what is being done to control population growth. Fortunately, there has been, over the past 2 decades, growing concern in many quarters over excessive population growth. Programs of corrective action have been undertaken in more than 30 concerned nations. These programs have received increasing amounts of support from donor nations, international organizations (especially the U.N. Fund for Population Activities and the World Bank), as well as from dozens of international and national private voluntary organizations.

As a result of this upsurge of interest and support, over three-quarters of the people in developing nations now live in countries whose governments have adopted population programs to reduce fertility in the interest of national economic development. Of the remaining one-fourth or so, the great majority live in countries where private family planning programs are encouraged or at least tolerated in the interest of family health and welfare.

The greatest single LDC success story in reducing population growth is probably occurring right now in the People's Republic of China, although we have no official information with which to quantify our conclusions or to gauge the means by which this success is being achieved.

Elsewhere in the developing world, significant declines in birth rates have taken place in the rapidly modernizing Hong Kong and city-state of Singapore; also in South Korea and Taiwan. There are also significant reductions now being registered in some of the more populous nations like Colombia, Thailand, Indonesia, and the Philippines, as well as in smaller countries like Costa Rica, Tunisia, Trinidad and Tobago, and Mauritius.

These are welcome and hopeful signs

indeed. They must not, however, create an unwarranted sense of relief and, even less so, complacency. Clearly, far more needs to be done.

It is a particular matter of concern that, according to recent surveys, the average couple in Asia and Latin America desires a completed family size of four children; in Africa, it is six. As long as most couples want families of four, five, and six children, rather than one, two, or three, it will be impossible humanely to bring down average fertility to a replacement level—a level necessary for eventual cessation of population growth.

And even if, through some almost miraculous transformation, it were possible to achieve by the end of this century an average of a little over two children per woman in the developing world (fertility rates in the developed world are already hovering around replacement levels), the world's population, now over 4 billion, would not cease to grow before exceeding 8 billion people.

If, as is much more likely, the replacement level fertility were not achieved throughout the world until the early 2020's, world population would halt its growth at about 11 billion. Thus, accelerating fertility reduction by 2 decades would reduce that dangerous pressure on world resources by approximately 3 billion people.

So, the crucial question comes down to how to achieve as soon as possible average family sizes of two rather than the five-six children which are now prevailing in Asia, Latin America, and Africa.

Obviously, this cannot be achieved by family planning programs alone, no matter how widespread, how freely available, and how acceptable and effective the means of birth control. To be sure, improving family planning services and better methods of contraception must be given high priority. There is ample evidence that public provision of these services has significantly accelerated the diffusion of family planning practices in some three dozen LDC's. Whether it can initiate a fertility decline is much less certain.

Of greatest importance, then, is the question of motivation, of inducing people to want to have smaller families. This is obviously a vastly complex undertaking, involving such wide-ranging and basic issues as reductions in infant and child mortality, the full integration of women into the development process, a vigorous growth in national product, wide educational opportunities for both sexes, delayed marriages, and, of course, development

of a kind that benefits the masses through more equitable distribution of income and land. These requirements have been spelled out in the World Population Plan of Action, a document agreed to by the consensus of 136 nations represented at the World Population Conference of 1974.²

Of course, it is not that these things should be accomplished exclusively for purposes of moderating fertility. They should be done anyway. Yet, a slowdown in population growth would be a major byproduct of these measures whose primary purpose would be to improve the quality of life for countless millions around the world.

Hopefully, the world's population can be stabilized at levels closer to 8 than 11 billion. But in order to do this, it will be most important that world leaders bestir themselves and become more involved; also, that the village and the community become more instrumental in developing and implementing their own family planning program, with rewards and incentives being given to the most successful among them; and also, that paramedics be trained to provide simple health services—including family planning—in villages, however remote, where these paramedics are known and trusted.

There may be scant prospects for any absolute closing of the income gap between rich and poor nations, but there can be a significant narrowing of this gap through a combination of:

- Developing nations putting their own houses in order, nurturing and engaging the talents of all their people; and
- Greater assistance and support by developed nations.

At the same time, I think, we should give further thought as to what our assistance goals are all about. Is it something that can be measured in economic terms like per capita GNP? Or in terms of quantifiable quality-of-life indices like high educational attainment, low infant mortality, extended life expectancy? Or are there unquantifiable quality-of-life factors that are equally important—perhaps more so—such as kinship, participation of the individual in his community's affairs, social mobility, freedom to move and to create?

I do not argue that a high material level of living is a goal which surpasses all others. I recognize that the rich may be poor in many ways, and the poor rich in other ways. Yet, there are certain basic human needs that everyone absolutely requires and craves. Perhaps the best summation of what we all

seek—and need—is set forth in that memorable passage in the U.S. Declaration of Independence:

We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness. . . .

Excessive population growth, perhaps more than any other single phenomenon on the world scene, threatens denial to our children and

their children and endless generations to come of those very goals which mankind seeks: life, liberty, and the pursuit of happiness. □

¹ Address to the International Seminar on Population, Employment, and Change in La Hulpe, Belgium, on Nov. 3, 1977; Ambassador Green is Coordinator of Population Affairs.

² For U.S. statements at the World Population Conference at Bucharest Aug. 19–20, 1974, and text of the World Population Plan of Action, see BULLETIN of Sept. 30, 1974, p. 429.

UNITED NATIONS: *Benefits From the U.N. Agencies*

by Charles William Maynes ¹

At the beginning of November, the U.S. Government chose—for the first time in its history—to withdraw from a major U.N. institution. A decision of such watershed proportions demands an explanation.

America's interest in and support for the United Nations and its affiliated agencies has never been higher. Not for several decades have the President and the top leadership of our government been so committed to multilateral approaches to peace and economic progress. President Carter expressed this determination to rise above traditional bilateral diplomacy even before he took office; and since then—in both style and substance—he has gone out of his way to insure that America makes greater use of the diplomatic machinery that is available through the U.N. system and to strengthen American support for the vital work of its family of agencies. How, then, do we explain the decision to leave the International Labor Organization (ILO)?

We all know that the ILO is a highly unique institution among U.N. agencies, the only one based upon a tripartite membership system where, in principle, each nation is represented not only by its government but also by delegations of workers and employers.

We also should all know that the ILO does valuable work. We can take the field of development as an example. The World Employment Program of the ILO has been of tremendous importance to our own Agency for International Development in policy development and has had a significant impact on policy formulation in such multilateral institutions as the World Bank. The ILO pioneered the strategy of focusing development assistance on

“basic human needs,” a strategy which has influenced development planning around the globe.

Our own efforts to develop alternative technologies for the developing countries build on ILO experience. The ILO pioneered innovative development measures and the establishment of uniform technical standards for the implementation of labor-intensive development projects.

We could list similar achievements in the fields of human rights, industrial relations, and workers' rights, and all of them contributed to ILO's award of the Nobel Peace Prize in 1969. How, then, could the United States leave an organization that so clearly makes a major contribution to a more peaceful and decent international system?

To answer this question, we have to examine some of the difficulties the ILO has experienced in carrying out one of its principal functions—the monitoring of compliance with ILO conventions. One fundamental purpose of the ILO—perhaps the fundamental purpose—is to observe and report on compliance with these voluntarily accepted conventions. Now it has always seemed clear that this could only be done effectively if it were done objectively. Were states to begin to politicize the compliance process, it would begin to lose much of its effectiveness. Yet over the years precisely this kind of politicization began to creep into the work of the ILO.

In considering compliance with ILO conventions on forced labor and freedom of association, the membership applied one set of standards against Communist countries and another set against non-Communist countries. The ILO Group of Experts would objectively call into question Soviet compliance, but the membership would ig-

nore the report. Then, the same phenomenon of the double standard began to develop in the ILO consideration of Middle East issues.

Against this background, one begins to understand why in November 1975 the United States informed the ILO that it intended to withdraw from the organization unless conditions could be created to restore to the ILO its traditions of due process, objectivity, and a single standard of compliance for all states. Regrettably, the response of the majority at the June 1977 conference was to refuse to confirm some reform steps taken earlier, and then, for only the second time in 50 years, to refuse to endorse the report of the Conference Committee on the Application of Conventions and Standards—a report which itself did represent an objective review of the degree to which the ILC members had adhered to ILC conventions.

It is rare that any single question can produce such an intensive coalescence of foreign affairs and domestic viewpoints and pressures as this one involving the ILO did. The issue concerned the balance between benefits of membership, which were considerable, and trends in the organization, which were alarming. The President pondered this problem up until almost the final hour and then decided the United States should let its letter of withdrawal take effect. He did so, however, in the spirit that the United States will return to the ILO if its performance improves. We are currently exploring the conditions under which we would decide to return.²

The very difficulty of the decision, however, forces us to consider more carefully our overall policy toward the specialized agencies and other programs in the U.N. system. There is fear in some quarters that the ILO decision will encourage those who would like America to get out of more organizations, or even out of the United Nations itself. A prominent columnist has ever suggested that complete withdrawal from the United Nations would be a desirable result. My own personal view is that such suggestions develop from a profound ignorance of the real advantages that the United States derives from membership in the U.N. family of institutions, and I would like to spend much of my remaining time today describing these benefits.

I can start by noting that the U.N. system is important to the United States from two critical points of view.

• First, it provides a variety of irreplaceable mechanisms for the pursuit of America's foreign policy goals.

• Second, it provides many concrete benefits to this country.

Channels for U.S. Policy

President Carter's reaffirmation of the importance of the U.N. role in America's foreign policy has been an important departure for this Administration. It was not a decision he took lightly. The hard reality is that a growing number of the world's pressing issues cannot be handled by nations acting alone, or even through small coalitions with others. Use of universal fora such as those provided by the U.N. agencies often is an irreplaceable and central part of our overall strategy or the solution of many key issues.

Thus, facilitating the dialogue between the rich countries and the poor countries is one of the most important roles the United Nations plays. Here America has a direct and high national interest in more effective cooperation. The less developed nations are the focus of many of the raw materials needed by us; they provide many important and steadily growing markets for our products. About a third of our foreign trade is now with the developing nations. These countries provide our fastest growing export markets. How they live can affect very directly the quality of life in this country. The United Nations and its family of agencies stand ready to serve as vehicles to promote the economic dialogue and progress that are so vital.

The importance of the United Nations is also growing in the political arena. Our initiatives to bring about peaceful settlements in Namibia and Rhodesia have been taken in part within the U.N. framework. This has been done not because of any doctrinaire belief that the United Nations must be involved but because the parties most directly concerned are anxious to see the United Nations seized with the issue.

The peacekeeping efforts undertaken by the Security Council reflect still another way that a multilateral forum can achieve something that no single nation could do alone. The two peacekeeping forces in the Middle East have been essential to the maintenance of the cease-fire, and they have created an atmosphere in which negotiations for a peaceful settlement could occur. There is no way to price the benefits we derive from the U.N.'s peacekeeping efforts.

The annual convening of the General Assembly in New York—in our own country—provides us with another vital diplomatic instrument. Critics deride the United Nations as a "debating so-

ciety," and, of course, it is much more than that. But diplomacy, after all, is debate—debate which provides structure, debate which promotes consensus, debate which identifies and isolates differences. The United Nations can be unmatched in this regard. If we wish to use the opportunities that it presents—and this Administration does—we will find it of inestimable value.

Specialized Agencies and Programs

Let us turn to the specialized agencies and programs of the United Nations, however. They add a dimension to our diplomacy which is simply not appreciated. Without them we would lose a functional edge to our diplomatic efforts which would make it impossible to carry out some critical initiatives that are profoundly in our national interest.

Our interest in economic development in other nations is furthered by the **U.N. Development Program (UNDP), the World Bank, and the regional development banks**, and monetary stability is provided by the **International Monetary Fund**. We all recognize that developmental assistance often is more palatable to both recipient and donor when there is a multilateral agency serving as intermediary. These agencies are making significant strides in the direction of America's own foreign assistance objectives. Both the humanitarian and economic interests that America has in the developing nations are well served by the program activities of these agencies.

In particular, the UNDP, with projects in more than 140 countries and territories, has been working hard to meet our own goal of improving the living situations of the world's poorest people—those without clean water, food, clothing, shelter, or health care. Administered by former U.S. Congressman Brad Morse, UNDP serves as a channel for development assistance to individual nations and regions. It does preinvestment work for projects to be funded later by the World Bank, regional banks, bilateral aid programs, or the private sector and also provides fellowships and training. From 1972 to 1976, for example, UNDP stimulated some \$19 billion worth of followup investment activity. In natural resources projects alone during 1976, UNDP promoted followup investment valued at nearly \$1.4 billion. This included some \$256 million in opportunities for private sector investment, mostly undertaken by private firms from the United States.

UNDP has helped to uncover \$20 billion worth of mineral deposits for the benefit not only of the developing nations, where most sites are located, but also of mineral consumer countries like the United States. The discoveries include 100 million tons of bauxite in the South Pacific, a copper belt that stretches from Yugoslavia to Pakistan, and a vein containing 40 billion tons of iron ore in the mountains of Bolivia. And while it is promoting the economic development of poor nations around the world, the UNDP is, in fact, spending in excess of \$100 million in the United States each year in fellowships to citizens of other nations for study or training here, in contracts with United States consulting firms, for employment of American experts, for equipment purchases, and for headquarters expenses.

America's chief interest is in support of programs that benefit the entire membership of the **U.N. Educational, Scientific and Cultural Organization (UNESCO)**. But UNESCO makes countless contributions to this country. In recent years these have gone virtually unnoticed in the face of congressional attacks, the cutoff of U.S. funds in violation of our treaty agreements, and reduced public support in this country because of some admittedly misguided resolutions in UNESCO meetings, mainly dealing with Israel.

I need not recount the domestic impact of UNESCO before this audience or the reasons that the United States needs to remain a fully active member and supporter, but brief mention of a few items, I think, will serve as a useful reminder.

Probably the most important area is science. America derives benefits and opportunities that would be available only at far greater expense and effort, if they were available at all. The "Man and the Biosphere" program is giving us vital information on management of the nation's forests, on avalanche prediction in the Rocky Mountains, and on reduction of the encroachment of desert areas in the southwest. Other scientific programs are providing assistance in earthquake prediction, which will be of vital benefit to our Western States, research on the protection of ocean resources, and on the identification of economically exploitable foreign sources of minerals of which we are a major importer.

UNESCO also provides American scientists with information and opportunities that enable them to maintain leadership in their fields, as well as to help shape the conditions for international exchange of information in the future. Indeed, for the 25% input that

America makes to UNESCO's budget, we get access to 100% of the research output of its scientific bodies. We must recall that only a minority share of the world's nondefense basic research is now done within the United States, so we very much need as many scientific ties to the rest of the world as possible.

On the cultural side, the Smithsonian Institution—and thus all of the American people—has been a major beneficiary of UNESCO facilities for the exchange of cultural property. And UNESCO's work in preserving and restoring elements of man's natural and cultural heritage, such as the Nubian monuments in Egypt, will enable future generations of Americans—the scientist, the educator, and the ordinary citizen—to visit, enjoy, and learn from these important factors in mankind's historical development.

On the educational side, a notable element of American benefit is present right here in Detroit at Wayne State University. At the request of Wayne State, UNESCO last year sent a mission of specialists in university education for adults to conduct a study which focused on Wayne State's weekend college program. The impact of the study will extend far beyond Wayne State, but the university here will be the principal beneficiary of the work.

In sum, our participation in UNESCO proves the fallacy of ethnocentric tendencies which seem to appear all too frequently in our society. America does *not* have all the answers to all the world's problems, even to our own problems. We do have much to learn from other nations, in many areas, and UNESCO is helping us do so.

Let us remember also areas of the U.N. system which we take for granted but which touch us all everyday—the mail, the telephone and telegraph system, and international radio and TV. The functioning of these systems may seem relatively automatic to the man in the street, but complex international arrangements are needed to make them happen. The **Universal Postal Union (UPU)** and the **International Telegraph Union (ITU)**, both U.N. agencies, are what make this possible. Direct television broadcasts of the dramatic Begin-Sadat meetings in Jerusalem in November, beamed not just here but all over the world, were possible in part because of the existence of an agreed upon international system of frequency allocations and broadcast standards and regulations that are set up by the ITU. Americans—as the world's greatest users of international mail, telephone, telegraph, radio, and television—get

ample benefits for the minimal amounts that we invest.

Weather is also something we take for granted, and we tend to assume there is not very much we can do about it. But the World Weather Watch, operated by the U.N.'s **World Meteorological Organization (WMO)**, is providing important data for U.S. meteorological, hydrological, and ocean-related services. Through the World Weather Watch, the U.S. Weather Bureau has been able to double the amount of data it has available to predict whether rain will fall or storms will strike. One result, for U.S. aviation, is better route forecasting for trans-Atlantic and trans-Pacific flights, and that means fewer accidents and more comfortable flights. Another result, for U.S. shipping, is wind and wave analyses that provide forecasts of minimum-time-and-distance for specific voyages. And another result, for all of us, is a vastly improved ability to prepare for approaching weather problems—severe winters in the East, droughts in the West, and similar problems all over the world—and to avert what could be genuine disasters. This means fewer lives lost, fewer crops destroyed.

The scientific research of the WMO is also providing us with important information about long-term climate change, which is essential to future U.S. agriculture and other economic activity, as well as information on atmospheric pollution and the status of the highly important ozone layer.

The U.N. **Environmental Program (UNEP)** has begun development of a global environmental monitoring system which will assess critical environmental factors on a worldwide basis. And UNEP's worldwide surveillance system called Earthwatch is using a network of national and international programs to check on conditions and changes in our environment, including pollution of air and water in this country. This may enable mankind to avoid making the kind of serious environmental mistakes from which there is no recovery.

As airline hijacking continues to get prominence and to endanger the lives of not only Americans but citizens of all nations, the importance to us of the U.N.'s **International Civil Aviation Organization (ICAO)** increases. U.S. flag carriers account for nearly half of all international air traffic. Americans travel more than any other people in the world. And the United States manufactures much of the world's civil aviation fleet. The role of ICAO is, therefore, highly vital to us. Largely at U.S. initiative, ICAO has persuaded member

states to upgrade security at international airports in order to reduce terrorism. It is also promoting international standards on control of aircraft noise and on pollution from aircraft engines.

Also, ICAO is about to make a decision on worldwide standards for the microwave landing system, which will provide increased safety for aircraft landing in adverse weather. This decision could result in major equipment exports for the United States, and our continued involvement here is highly vital.

In maritime affairs, the United States is the world's largest generator of oceanborne traffic, and it has more than 12,000 miles of coastline. As a result, the United States receives substantial benefit from its participation in the U.N.'s **Inter-Governmental Maritime Consultative Organization (IMCO)**, even though it pays only 4.09% of IMCO's costs. Each year more than 1-1/3 million tons of oil are discharged or spilled into the oceans of the world—85% of it intentionally—and IMCO is working to develop new conventions which will prohibit these discharges. Since there is no way that the United States could unilaterally control or prevent such discharges that occur on the high seas, we must recognize that it is only through an international organization which includes all of the ship-operating countries that effective standards can be accepted and enforced.

The **World Health Organization (WHO)** has made phenomenal progress in combating disease in other nations. After a 10-year campaign, it is near total victory over smallpox and hopes to eradicate it completely in the coming months. Although smallpox has been virtually unknown in this country for many years, this dramatic development has great significance to the United States. WHO spent about \$95 million in this 10-year effort to eliminate smallpox. In comparison, the United States used to spend \$120 million *each* year simply for smallpox surveillance, vaccinations, and quarantine measures. With the eradication of smallpox, routine vaccinations are no longer required, and the United States is realizing significant financial savings.

WHO has also established a worldwide network to warn against the outbreak of flu and other contagious diseases. It has undertaken a major study in India to prove that tuberculosis patients can be ambulatory and need not be confined in hospitals and sanatoria; the result will be large savings in all nations, including this one. And WHO is doing important work

on cancer and on cardiovascular research.

Health care is one of those areas where we tend to believe that America has nothing to learn. We spend phenomenal amounts of money on health care—in 1976 a total of \$132 billion, or more than \$600 per person. We have a physician-to-population ratio of approximately 1 to 700, when the world ratio is 1 to 50,000. Yet America still lags behind many countries in terms of overall health status. In infant mortality, we have only the 16th place among developed nations. Our life expectancy is lower than that in 14 other countries. Life expectancy for residents of the District of Columbia is actually lower than for residents of Sri Lanka, a country with a per capita income of less than \$200 a year. What this tells us is that we do indeed have much to learn from the experience of other nations, and our participation in the World Health Organization is helping us do just that.

Also in the health field, it is worth noting that the **International Labor Organization**, which we have just left, is developing, at the request of the U.S. Department of Labor, an international health hazard alert system which will facilitate the issuance of international warnings about newly discovered occupational hazards and to collect information on techniques dealing with each problem. Despite our withdrawal, we intend to continue our cooperation because it is in our interests.

And while the chief focus of the **Food and Agriculture Organization (FAO)** is on stimulating agricultural development and alleviating food shortages in other nations, much of its work also has favorable impact on the United States. It has an early warning system that uses remote sensing and ground contacts to give information on impending crop and food shortages. The FAO's Codex Alimentarius Commission is the only international body setting criteria for fish products and is specially important to the United States as a nation which imports 80-80% of the fish it consumes. The FAO's research work in tropical forestry may be of critical importance to us in the mid-1980's when America's demand for forestry products is expected to outstrip our productive capacity.

Contributions of U.N. Agencies

Finally, there are three general contributions of the U.N. agencies across the board which are of great importance to the U.S.

One is the current work on *codes of conduct* which will affect many aspects

of American private enterprise. Among the various U.N. forums, codes are being developed with topics ranging from multinational corporations to technology. UNESCO, as you know, is circulating a draft code on the use of the mass media, and it currently raises important questions about possible intrusions on the independence of the mass media. In all of these instances, America's energetic participation is essential. We need to be present to protect our interests.

The second general product is the highly valuable *information, statistics, and documents* which flow out of virtually all of the U.N. agencies. The U.N. agencies are able to gather information around the world without the impediment of national sponsorship, and it is data which simply would not otherwise be available to researchers in this country or anywhere else. The U.N.'s Statistical Office produces materials that are invaluable to U.S. scholars, to the government, and to many private sector agencies. They include a monthly bulletin of statistics, a statistical yearbook, a demographic yearbook, a yearbook of national accounts statistics, a yearbook of industrial statistics, a compendium of housing statistics, and much more. An appreciation of the effectiveness of UNESCO's programs in exchanging information can be gained from the fact that they generated \$140 million in book and journal sales in the United States alone from 1949 to 1970.

And the third major product is the overall contribution to *international cooperation and the reduction of tensions* that results from the individual programs of the U.N. agencies. This is a product that is hard to measure. But by bringing together educators, scientists, cultural leaders, development experts, economists, professionals in many fields, and government leaders of many nations, the U.N. agencies inevitably build a growing global communications network. It is a network of people who have learned to cooperate toward some shared objective and who, in the process, have learned much about each other and even about each other's countries—removing stereotypes and reducing misunderstandings. Their national governments may even be unfriendly, but on an individual basis the participants in this activity are able to continue to communicate and gradually to strengthen the ties between nations which will make armed conflict steadily unthinkable.

In short, I think we can all feel very good about America's contributions to these agencies. In most of them we

play a leading role. Our involvement helps them to do important work which, among other things, certainly provides valuable benefits to the United States.

Future Ties

I acknowledge that there have been problems in some of these agencies, and there has been dismay about them in some quarters here. There has, of course, been introduction of irrelevant political issues in agencies that should be kept immune from those considerations. All of us need to keep in mind that this type of politicization generally takes place only in the once-a-year meetings of the general conferences of these agencies; for most of each year, these agencies continue to carry out their important substantive responsibilities. Nevertheless, we will all keep working to reduce and eliminate this phenomenon of unnecessary politicization, and I would note that we have made significant progress in the last 18 months. In many instances we are being helped by other nations. And the secretariats of many of the agencies are making outstanding efforts to keep the organizations focused on the substantive issues which they were intended to pursue.

We are also working to strengthen the management of those agencies which are undergoing some of the traditional problems of rapid growth and new responsibilities. When the agencies were young and the budgets were small, there may have been less motivation to pursue sound management techniques. But we are now talking about big business, big budgets, big payrolls. The "big four" agencies—ILO, UNESCO, FAO, and WHO—in 1976 had assessed budgets totaling in excess of \$400 million, and they also had sizable inputs through special programs and voluntary contributions. In the early days of the United Nations—in 1947—the total budget for all purposes was \$124 million. In 1976 it was nearly \$2.5 billion. With that kind of funding, the United Nations has the capacity for major impact, and indeed it has become a significant force in the world's developmental process.

As a result of that growing financial capability, the nations which have provided the most support have begun to look more insistently at management improvements and effective work producers. Nearly 89% of the financing of the United Nations is provided by only 27 countries, just 17% of the membership. In the specialized agencies financing arrangements are similar. These are the governments that have

the greatest stake in the orderly management of the international system which the United Nations promotes, and they want to know and have a right to know how their funds are being spent.

For this reason we are working to promote greater coordination among the various agencies in order to minimize wasteful duplication of effort and potential overlap. We are seeking to improve systems of planning, budgeting, and evaluation to strengthen personnel management and to effect various other reforms. We are urging improvements in these agencies precisely because we care about them very deeply. And we intend to keep working in that direction.

These agencies provide the United States with a tremendous opportunity for leadership in foreign affairs fields where it is important that we maintain a central policy voice. Although it is true, as I hope I have shown, that we derive substantial direct benefits from the United Nations system, our chief reason for participating in United Nations agencies is not these immediate benefits; rather, it is the vital opportunity for leadership.

Thus our involvement helps us to insure that America's foreign policy goals are achieved in the most practical way. Our involvement provides us with the flexibility to use either bilateral or multilateral approaches to important issues—or both, depending on which is most appropriate. Our involvement enables us to insure that the components of the international system evolve in a way that is compatible with our system

of government, our moral standards, and our place of leadership in the world. Our involvement enables us to influence developments in areas that are central to our political and economic well-being and that will have increasing impact on us as the world grows more and more interdependent with the passage of time.

A major challenge before us now is to persuade the American public and the Congress of the continued vitality and importance of these agencies and programs. The President is very interested in this task. He has instructed the members of his Cabinet to help in the process of explaining these benefits to the American public. But we need the help of private citizens too. We need the help of you in the U.S. National Commission for UNESCO, the World Affairs Council chapters, the United Nations Association chapters, and other influential people in other organizations which are interested in the role that America plays in these organizations.

It is only with your help that we will be able to play the leadership role that others expect us, as a great power, to assume. It is only with your help that we can succeed in maximizing the effectiveness of the U.N. system and its contributions to us all. □

¹ Address before the U.S. National Commission for UNESCO in Detroit on Dec. 8, 1977; Mr. Maynes is Assistant Secretary for International Organization Affairs.

² For text of President Carter's statement on the termination of U.S. membership, see BULLETIN of Dec. 26, 1977, p. 912.

Assessment of 32d U.N. General Assembly

by Andrew Young¹

I am pleased to say that I believe we have achieved an important and hopeful shift in the development of the General Assembly. We are drawing to a close what has been, in many ways, the most constructive session in many years. In this General Assembly we have seen a clearer consensus of the concerned emerge to replace some of the politics of frustration which seemed often to drive the work of the Assembly in the past.

This year we all saw an obvious change of mood, a sign that all of our governments and delegates are beginning to question the value of the slo-

gans and cliches which have governed their activities so often during the past several years. I sense an increasing agreement that slogans lead nowhere, that purely political and tactical maneuvers in isolation from the substance not only are wasteful and damaging to this institution but they engender unproductive confrontation which inhibits progress toward solution of the crucial problems of mankind.

In short, this has been a good Assembly. It may even have been historically important because of progress on several fronts but mainly because of this new will to talk together about resolving our common problems. This is a solid record that my government val-

ues highly and a record that I intend to convey to the American people in the months ahead.

Middle East

What has this Assembly accomplished, and why did this occur?

First, let us turn to the area where the United Nations has, for 30 years, borne special responsibilities for maintaining peace and security—the Middle East. This fall we saw in President Sadat's visit to Jerusalem one of the most courageous moves in the history of modern diplomacy. His action, and the response of Prime Minister Begin have created an unprecedented opportunity. Their visit demonstrated the profound desire for peace by people who have undergone the devastation of four tragic wars.

On most other issues this fall, this Assembly gave the impression of being closely conscious of, and relevant to real events. But resolutions which were adopted in the Middle East tended to reflect the unhelpful rhetoric of the past rather than the refreshing and hopeful developments of the present. There seemed a very real possibility that the world was passing the United Nations by.

In all fairness, I think that the delegates and their governments may have sometimes found it difficult, because of the swift pace of developments, to reflect in New York the dynamic new possibilities for progress in the Middle East.

Despite the unreality of some of these debates, the role of the United Nations as an institution in Middle East affairs remained important and constructive. We must all keep this in mind, as Prime Minister Begin did when he called on the Secretary General to discuss the contribution the United Nations can make to the peace process. U.N. peacekeeping efforts for many years now have helped provide the breathing space which is necessary to permit the parties concerned to hammer out the terribly difficult but essential decisions which must be taken if we are to have an enduring peace—a long last—in the Middle East.

Amidst the headlines this fall, a fact overlooked was that the Security Council renewed without controversy the mandate of the Disengagement Observer Force in the Middle East, a process that in the past has been drawn-out and painful. Nor did the world or the media focus on the fact that General Assembly approval of funding for the Middle East peacekeeping efforts this year, in contrast to the past, was routine and noncontroversial.

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Nor did the public place sufficient importance on the U.N. role this fall in enabling intensive consultations to take place among the leaders of the governments principally concerned with a Middle East settlement. This included the opportunity for U.S. and Soviet foreign ministers to further their talks on this subject.

All of these developments helped prepare the way for the kind of agreements on meaningful measures which are required for the ultimate settlement we all desire in the Middle East.

Southern Africa

An important part of the new atmosphere in this General Assembly was engendered by what my government considers to be significant movement of the U.N. community toward a new degree of consensus on the common goals in the southern African issues. I am proud that my government and the people of the United States have drawn closer in association and cooperation with our African friends.

The world community is virtually unanimous in its support for the goals of liberation of the people in southern Africa. There are few who would reject the work that has been launched to guarantee freedom, independence, and self-rule for all of the people of this region. My government is committed to this monumental task.

In Rhodesia we have been sharply aware of the breathing room granted the U.K.-U.S. effort by the way the General Assembly treated this problem in all its debates, in committee as well as plenary. We also understand and accept the significance of the postponement of further debate in the Security Council.

The tragic actions of the Government of South Africa this fall sparked a justifiable explosion of protest from around the world that found its expression in this Organization through the unanimous decision of the Security Council to impose mandatory sanctions on South Africa—the first time sanctions under Chapter VII of the charter have been imposed on a member state of the United Nations. This was a true consensus. It was an historic step forward by the United Nations in its long effort to achieve freedom and human dignity in Africa.

Economic and Social Issues

On economic and social issues, we have reached two important milestones noted in consensus. We have achieved agreement on a mechanism to oversee the continuing dialogue between the

industrialized and the developing nations. Many thought we would not be able to come to terms on even the procedure for carrying on this dialogue—for we had failed numerous times in the past—but we were able to carry it off.

In addition, after a 2-year study on restructuring of the economic and social functions of the United Nations, we reached agreement on some highly significant changes that should clearly improve the efficiency and effectiveness of these operations and insure that the delivery of services of the U.N. agencies to the world's poor is greatly enhanced.

We have also made some progress on human rights. This was the Assembly at which the President of the United States signed the International Covenants on Economic, Social and Cultural Rights and Civil and Political Rights. It was the Assembly at which broad co-sponsorship of the proposal to create the position of High Commissioner for Human Rights reflected support in most geographic regions, even though ultimate passage was not possible this year. This was also the Assembly at which delegations from a number of regions made significant human rights proposals. I think we have taken important steps toward achievement of more awareness and agreement on action in this sensitive but critical field than we have ever had. At the same time, we have much work to do.

Arms Control

One of the most encouraging things about this fall's General Assembly was the extent of agreement we reached on arms control issues.

On a comprehensive test ban, for example, the key resolution commanded very broad support—not only from the Soviet Union and the United States but also from almost all of the nonnuclear nations.

On nonproliferation, there was a genuine readiness to exchange views seriously and to develop an acceptable resolution that recognizes the broad responsibility of all nations not to contribute to proliferation.

Resolutions calling for nuclear free zones in Africa, the Middle East, and South Asia commanded strong acceptance, and my government was pleased to be able to support them. And both the United States and the Soviets were to vote for a resolution endorsing goals in the Strategic Arms Limitation Talks.

The action of this Assembly in adopting by consensus—I emphasize by consensus—a resolution on aircraft hijacking was a particularly significant achievement of this session, making

the world's airways safer for peoples of all nations.

In addition, this fall negotiations in the United Nations have made substantial progress toward establishing a joint committee on missing persons in Cyprus, a positive indication that there is willingness on both sides to resolve differences through negotiation.

We have taken steps to support the important recommendations of the International Civil Service Commission for improvements in the staffing of the United Nations. We have expanded the U.N. membership as we work toward the ultimate goal of universality. We reached a consensus resolution on Guam and avoided the confrontational resolutions of the past. We have even taken radical steps to curb first-class air travel for all U.N. employees below the level of the Secretary General himself.

Positive Assembly Record

The reasons for this quite positive record are many. I do not need to recite them to delegates here, but I believe it is particularly important for people outside this body to focus on them.

First, I think, is the emerging agreement that the time for opportunism on many issues before the United Nations is passing. The issues are too pressing, the dangers too great. This year's Assembly gives us more hope that this body has taken a new and positive course. While we clearly cannot agree on all precise policy prescriptions, there is growing agreement that it is incumbent on all of us to advance serious proposals for dealing with critical issues.

Second, there is, I believe growing agreement among members that the developed and the developing countries have fundamental, long-term interests that converge more often than they diverge. In my own country, for example, changes of policy have resulted in deeper interest in the problems of southern Africa, progress on a Panama Canal treaty, renewed concern about human rights, and closer relations with many countries in the developing world. There are differences, to be sure, and some are hard to bridge. But for all nations—large and small—it is increasingly absurd to refuse to recognize the impact we all have on one another.

On economic issues, for example, my country, which has historically been oriented toward our industrialized trading partners, now finds that the developing nations constitute its fastest growing markets and continue to be a prime source of many of its raw mate-

rials. So we find that all regions are of growing importance to America's welfare and interests.

In turn, the developing countries are finding that the industrialized societies offer indispensable markets, needed capital, and vital technical assistance. Increasingly, we have to understand jointly that our task is not to pressure one another—both sides, after all, are quite capable of resisting pressure—but to find a much better process to help both sides to discern and develop their common interests in cooperation. This is why the agreement of this Assembly to an overview mechanism for the North-South dialogue is so critical.

Third—and this will be disputed by some, although I strongly believe it is true—we are moving toward a more widely shared set of common values and interests. Thirty years ago, few in the developed world cared one way or the other about economic or social conditions in the developing nations. In that period, few in the developing countries realized that internal domestic policies of the industrialized countries could have such significant impact on economic conditions in their own faraway lands. Today there is an intense international debate about the best means for achieving a new international economic order which will be more just and healthy. Two questions is not *whether* we should do this, but *how*.

Fourth—and the world largely ignores this—effective new forms of decisionmaking have been employed in compiling our record at this General Assembly. One is the important development of small-group techniques of reaching agreement on potentially divisive issues. So-called contact groups, consisting of representatives of the various interest groups or "friends of the chairmen" of larger committees, have been able to make important progress in informal sessions.

The other major procedural technique that deserves mention is that of consensus decisionmaking. The public tends to focus on disagreements among us, but over the past 2 years about 63% of the decisions in the General Assembly have been taken by consensus. Although important differences are sometimes inappropriately covered over by consensus decisions, in most cases the differences have been so narrowed by intensive negotiation and debate that it is not even necessary to take a vote on these issues. Consensus decisions during the current Assembly have, I believe, been even more frequent than last year.

If we are striking a more constructive and cooperative tone in the con-

duct of our deliberations here, I do not mean to suggest that we be complacent. We have a difficult agenda facing us in the 12 months ahead.

The Future Agenda

On the vital issues of maintaining the peace, first of all, we must keep the momentum going. Almost all of us agree that the time is right for movement. We must maintain that consensus, and this is only possible by continuing our efforts to clarify the issues and achieve agreements on the problems that threaten us all.

In the Middle East, let us build on the historic steps already taken, abandon destructive positions, and seize an unprecedented opportunity for peace. Let us set our minds, in the inter-session months ahead, to contribute our ideas, our information, and our wisdom in conducting the affairs of the United Nations to support the moves toward peace.

In Cyprus, now that the parties have moved close to agreement on one important issue—the committee on missing persons—let us in the United Nations maintain the momentum to broaden the areas of agreement and reach a lasting settlement.

In Rhodesia, the supportive consensus created here by this body has undoubtedly played a major role in bringing Ian Smith to understand that he must step down in favor of a legitimate majority government elected by the people of Zimbabwe. We continue to believe that the initiative which the United States has been pursuing in support of the United Kingdom remains the best framework for an internationally acceptable transition to majority rule. Let us continue to work together to bring about the necessary peaceful conclusion to this effort.

In Namibia, the five Western ambassadors have just completed another round of talks with the front line states, the South West Africa People's Organization, Nigeria, and South Africa. The differences between the parties have been narrowed considerably over the last several months since our contact group began functioning. But the remaining issues stubbornly resist final agreement between the parties. Let us continue to work together in pursuance of an internationally acceptable settlement which will lead to true self-determination and independence for the people of Namibia.

In South Africa itself, let us build on the new consensus—not merely on the utter unacceptability of apartheid but also on the need to convince South Africa to move in a progressive direction.

The consensus of the world community is more solid and sweeping than ever before. Let us make clear that our goal is not to isolate South Africa but to encourage the kind of meaningful social change that can bring full participation by all South African citizens in their own governance and national life.

Next year we will mark the 30th anniversary of the signing of the Universal Declaration of Human Rights. Its adoption was accomplished at a very early stage of the life of this Organization. It was virtually our first priority in those days. While there has been some progress in human rights since then, we still have a long way to go. There are still far too many abuses. As we mark this significant anniversary, let us restore to high priority this Organization's concern for human rights, and let us resolve that next year's General Assembly will be a high point for constructive collective action to advance this vital cause.

Next year will also provide us with a significant opportunity for progress on arms control issues. Our Special Session on Disarmament next May and June is unprecedented. Never before has the United Nations sponsored a gathering of this magnitude on this subject. Never before have we had a chance to concentrate the attention of all nations on these life-and-death questions in this way. This is no longer a concern of only the nations of the East and West: The developing countries, the nonnuclear countries—indeed all countries—have an important stake in these discussions. Let us all pledge to work within our governments to make a major effort to bring this Special Session successfully to meaningful understandings and practical ways to enhance our disarmament goals.

This session of the Assembly was another major step in the improved economic dialogue between the developing countries and the industrialized countries. As the resumed 31st session of this Assembly ended, just prior to the opening of this one, it was clear to all that a major task would be to find a mutually acceptable framework for the continuation of a high-level overview of economic cooperation within the U.N. system. The 32d General Assembly has met this challenge; let us all work for constructive discussions in the Committee of the Whole we have agreed upon.

For the United States, expectations will be high. If the construction of a new international economic order is to be a growing consensus and not a verbal contest, each group of countries—East and West, oil producers and consumers, industrialized, industrializing,

and agricultural—must explore ways in which change can be achieved consistent with economic security for all. We know each others' needs and concerns. We have learned even more about them during this Assembly. Let us get on with the work that remains to be done.

In many areas once characterized by disagreement, we have achieved consensus. In others, we have thus far failed.

One area in which more work remains to be done relates to the negotiations for a common fund under the auspices of the U.N. Conference on Trade and Development. The suspension of the negotiations in Geneva took place rather late in our session; with so much else under way, it was certainly a difficult task for all of us here in New York to provide a real impetus for their constructive resumption.

Unfortunately, we were not able to reach agreement on a resolution which would have facilitated resumption of the negotiations. As you know, we worked toward a resolution in the Second Committee last week that would have permitted the negotiations to be resumed on a constructive basis. Regrettably, it was not possible to achieve a positive nonprejudicial statement. Let us, therefore, work together to find a way to minimize polemics and to conduct a balanced and dispassionate assessment of the important issues involved. We believe that such an assessment is necessary before any further progress can be made.

Let me mention one final area that merits urgent attention next year.

The budget we have just approved is nearly a 30% increase over that of the last biennium. We have approved many good programs and projects. Indeed, nearly all of them are good. But the U.N.'s resources are not unlimited. I think it is fair to say we are sponsoring too many conferences, too many special interest programs, too many "private bills" of assistance in individual countries when such steps should be reserved for only the most critical cases.

I will be the first to admit that my government has not always followed a policy of fiscal restraint itself. But the need for fiscal stringency is paramount. It applies to all of us. We need to get priorities, carefully analyze all proposals, clarify our objectives, and restrain ourselves on expenditures until we have sorted out for ourselves exactly which actions are the most pressing.

A consensus resolution of this Assembly last year expressed concern about this problem and requested the assistance of the Secretary General in identifying expenditure priorities. The U.N. system budget was \$124 million

in 1947. It was nearly \$2.5 billion in 1976. These are significant sums which we all know can—with proper programming and management—be better used. Let us commit ourselves to this task in the coming year.

In short, we have a difficult agenda before us. The problems do not vanish with the sound of the last gavel. But with the consensus of the concerned that has clearly emerged at this year's General Assembly, we have begun to search for the common elements of our own interests, to stop shouting and to do more listening.

A senior official of another government told me early in this Assembly that the United Nations seemed to be catching its "second wind." I think that is clearly true. This emerging consensus on how to work together on world issues provides us all with a source of new hope and optimism. That is good for the United Nations. It is good for the world. It is good for the people we represent. □

¹ Statement in plenary at the close of the 32d U.N. General Assembly on Dec. 21, 1977 (closing paragraphs omitted); text from USUN press release 150 of Dec. 21. Andrew Young is U.S. Permanent Representative to the United Nations.

Summaries of U.S. Statements

During the closing weeks of the 32d U.N. General Assembly, members of the U.S. delegation made numerous statements on a wide range of subjects. Following are summaries of those statements taken from selected USUN press releases.¹

Decade for Women

The United States contributed \$3 million to the programs for the U.N. Decade for Women. (Koryne Kaneski Horbal in the Pledging Conference on the Voluntary Fund for the U.N. Decade for Women on Nov. 8, 1977; USUN press release 104, Nov. 8.)

Food

In support of global efforts for a viable world food policy, the United States has: (1) committed \$200 million toward the \$1 billion International Fund for Agricultural Development, (2) established a domestic food grain reserve program, (3) contributed up to 125,000 tons to the international emergency food reserve, and (4) in-

creased our pledge to the World Food Program from \$188 million in 1977-78 to \$220 million for 1979-80. (Dr. Ruth Schacter Morgenthau in Committee II on Nov. 3, 1977; USUN press release 97, Nov. 3.)

Human Rights

The United States cosponsored a resolution concerning the situation of human rights in Chile. It was adopted by the General Assembly on Dec. 16, 1977, as A/RES/32/118. (USUN press release 138, Dec. 8.)

Refugees

At a meeting of the Ad Hoc Committee for the Announcement of Voluntary Contributions to UNRWA on Dec. 6, 1977, the United States pledged \$42.5 million for 1978. (Charles W. Whalen, Jr.; USUN press release 134, Dec. 6.)

Southern Africa

Zimbabwe, Namibia. The United States is deeply committed to the independence, self-determination, and majority rule in southern Africa. In concert with other Western powers and with African support, it is engaged in a series of negotiations aiming toward equitable and lasting solutions resulting in the independence for Zimbabwe and Namibia. While success is not assured, negotiations are proceeding.

In Zimbabwe pressures of the armed struggle and international action have played and continue to play an important role in the efforts to reach a just solution. Now is the appropriate moment to let the negotiating process work; if it stalls or fails, that is the time to increase the pressures on the Smith regime. In that case, the United States is prepared to take those steps and participate in measures necessary to secure cooperation by all parties to implement the settlement proposal.

The U.S. Government holds a similar position on Namibia. Exploratory talks have been held with the South West Africa People's Organization and the South African Government, in cooperation with other Western powers.

For these reasons the United States announced that it would vote against a draft resolution requesting all states to: refrain from any investments in, or loans to, minority regimes in southern Africa and agreements to promote trade; take effective measures to end the supply of funds and other forms of assistance, including military supplies

and equipment; and cease all exports of crude oil and petroleum to southern Africa. (Marjorie Craig Benton in Committee IV on Oct. 28; USUN press release 86, Oct. 28.)

The draft resolution was adopted by Committee IV on Oct. 28, 1977, and by the General Assembly on Nov. 28 as A/RES/32/35.

Southern Rhodesia. The United States supports completely the proposals outlined in the British White Paper on Rhodesia and will continue its active pursuit of a settlement based on these proposals. (The full text of that paper is printed in the BULLETIN of Oct. 3, 1977, p. 417.) It believes that these proposals represent the best available option for providing all the people of Zimbabwe with an opportunity to choose their own political leadership and to bring freedom and majority rule to that country in a way which will restore the peace and foster economic progress. (Charles W. Whalen, Jr., in Committee IV on Dec. 9, 1977; USUN press release 142, Dec. 9.)

Apartheid. Concerning a series of 15 resolutions on apartheid, the U.S. "no" and "abstention" votes were explained, and our representative noted the reservations on those resolutions which the United States endorsed. The General Assembly adopted Resolutions 32/105-A-N on Dec. 14, 1977, and 32/105-0 on Dec. 16. (Charles W. Whalen, Jr., in plenary session on Dec. 14; USUN press release 146, Dec. 14.)

Torture

The United States supported a draft resolution against torture and other

cruel, inhuman, or degrading treatment or punishment out of a deep sense of outrage over the number of persons who have died in recent years while detained in South Africa's prisons. The General Assembly adopted, by consensus, that draft resolution on Dec. 8, 1977, as A/RES/32/65. (Edward M. Mezvinsky in plenary session on Dec. 8; USUN press release 139, Dec. 8.)

Three other draft resolutions on torture were adopted by the General Assembly on Dec. 8 and were strongly supported by the United States: (1) a request to the Human Rights Commission to draw up a draft convention against torture (A/RES/32/62), (2) a request to the Secretary General to inventory the efforts of various governments to combat torture (A/RES/32/63), and (3) a request to members to unilaterally adhere to the declaration against torture (A/RES/32/64). (Edward Mezvinsky in Committee III on Nov. 2, 1977; USUN press release 94, Nov. 2.)

UNICEF

For the calendar year 1978 the United States pledged \$25 million, a 25% increase over 1977. In addition we are contributing \$250,000 for the International Year of the Child. (Herbert G. Wing in the U.N. Pledging Conference on the U.N. Children's Fund on Nov. 3, 1977; USUN press release 99, Nov. 3.) □

¹ The full texts of the press releases may be obtained from the U.S. Mission to the United Nations, 799 U.N. Plaza, New York, N.Y. 10017.

WESTERN HEMISPHERE: Panama Canal Treaties

by Secretary Vance¹

I appreciate this opportunity to come to New Orleans tonight to talk to you about a major decision we now face as a nation. In a few weeks, the U.S. Senate will decide whether to ratify the treaties that have been negotiated between the United States and Panama to provide for the future of the Panama Canal.² It is a decision that has aroused strong feelings, although I think most Americans have reserved final judgment until they have considered all the arguments.

The debate over the treaties has been lively, at times even heated. It draws us back to a story Abraham Lincoln used to tell when discussions in his Oval Office began to boil over. Lincoln would interrupt and tell the story of a hunter who got lost in the forest when a fierce storm broke. The hard rain made it almost impossible for him to see where he was going. Night soon fell and he had to fight the darkness as well as the rain to find his way. The thunder was deafening. Only occasional flashes of lightning showed him the trail. Finally, wet, tired, and frustrated, he fell

to his knees in prayer: "If it's all the same to You, Lord," he cried, "I'd appreciate a little less noise and a lot more light."

Perhaps some of you have considered a similar prayer as you have listened to the canal debate.

This evening, I want to describe the treaties for you and then respond directly to many of the concerns that have been expressed. I hope I will shed more light than noise.

From the day we started construction over 70 years ago, the Panama Canal has always had an extra dimension for us, beyond its basic military and commercial importance. Building the canal was a remarkable feat for a young and emerging nation. Others had failed. Yet we were able to cut through the mountains, cross the swamps, and control the diseases to complete a waterway that finally linked the Atlantic and the Pacific. The canal came to represent American perseverance and ingenuity, qualities that, to this day, continue to be among our most valuable assets as a nation.

But we all recognize as well that in the final analysis, the Panama Canal is not a monument. It is a navigational link that is important to this country's national interests. Our first concern must be to assure our continued ability to use the canal in the future.

It was that concern which led President Johnson in 1964, after consulting with former Presidents Truman and Eisenhower, to begin negotiations for a new treaty. Every American President since has concluded that a new treaty was necessary to secure the future availability of the canal for the ships of all nations. For that same reason, President Carter, on September 7th, signed the treaties that resulted from those 14 years of negotiations.

Actually, two treaties have been negotiated. The first provides for the operation and defense of the canal until the end of this century [Panama Canal Treaty]. The second treaty provides for the permanent neutrality of the canal and has no termination date [Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal].

Under the terms of the first treaty the United States will continue to operate the canal until the year 2000. A U.S. government agency, to be called the Panama Canal Commission, will run the canal and will decide, in accordance with U.S. law, such matters as tolls and employment practices. A majority of its governing board must be American citizens. Panama will assume jurisdiction over the area of the present Canal Zone—the 5-mile strip on either side of the canal—and the Canal Zone

such will cease to exist. However, until the end of this century, American bases and troops will remain in Panama, and the United States will have primary responsibility for defending the canal.

After the year 2000, Panama will be responsible for operating the canal. Vell over 70% of the canal workforce already is Panamanian. Over the next two decades, we will be training Panamanians in all aspects of operating and managing the canal.

The treaty provides extensive protections and privileges for the Americans who will be working in Panama in connection with the canal until the year 2000 and provides priority job placement and liberalized early retirement for Americans now working on the canal whose jobs ultimately will be filled by Panamanians.

The second treaty—the neutrality treaty—is of unlimited duration. It will remain in effect even after the year 2000. It commits each of the parties—the United States and Panama—to defend the canal and to keep it open to the ships of all nations.

Under the neutrality treaty—and I want to make this point very clear—the United States has the right to take any action we decide is necessary—including the use of troops—to meet any threat or aggression directed either against the canal or against the passage of any ship—ours or anyone else's—through the canal. That does not mean that we have the right to meddle in the internal affairs of Panama. It does mean, however, that we can defend and protect the canal before and after the year 2000.

The neutrality treaty also provides for expeditious passage through the canal for American and Panamanian military vessels. In case of need or emergency, our military ships can pass through the canal more quickly than usual, and if necessary they can go to the head of the line.

Our interpretation of these rights is identical to Panama's. In October, President Carter and General Torrijos of Panama issued a statement of understanding which confirmed, in authoritative terms, these clear rights.³

There are other provisions in the treaties. One of them deals with the possibility of building a new sea-level canal. The existing canal is too small for many of the modern supertankers and the giant new aircraft carriers. Several years ago, the United States conducted a study to determine whether it would be feasible and economical to build a new and larger canal. This study indicated that, if we were to go forward with plans for a new canal, the

least expensive option by far—and the only feasible option that would not require nuclear explosives—would be to build such a canal in Panama. Under the new treaties, we have agreed to reexamine—together with Panama—the feasibility of a new sea-level canal. The Panamanian Government has agreed that it will permit no one other than the United States to construct an interoceanic canal in Panama for the remainder of this century without our consent. We, in turn, have agreed that we will not build a new interoceanic canal anywhere in the Western Hemisphere except Panama during this same period.

The treaties also commit the United States and Panama to carry out their treaty responsibilities in a manner consistent with protecting the natural environment of Panama, and they establish a Joint Commission [on the Environment] to advise both governments on these essential environmental questions.

There are other provisions in the treaties, but those are their basic terms.

A number of questions and concerns have been raised about the treaties. I want to address them directly.

Military Concerns

It has been asked whether these treaties adequately provide for our military needs. Do they safeguard our right to protect and defend the canal? The first place to look for an answer to these questions is to our top military advisers—the Joint Chiefs of Staff. They have the initial responsibility for our military defense. The Joint Chiefs worked closely with our negotiators every step of the way. In their judgment, these treaties fully satisfy our military interests. They afford us the rights we need to defend the canal and to assure that it remains open.

In fact, it is the view of the Joint Chiefs that these treaties not only protect our military position, they improve it. There are several reasons why.

- First, in the process of negotiating the new treaties, we have separated out what is important to us—that is, continued use of the canal—from what is not important to our national interest—such as who has jurisdiction over traffic violations on the roads near the canal. We thus avoid the possibility of being drawn into disputes over matters that do not directly affect American interests.

- Second, the treaties enhance our ability to defend the canal because, if that were ever necessary, we would be doing so based on agreements freely

entered into by both parties and supported by the nations of Latin America and by world opinion.

- Finally, our military position is enhanced because we would be defending the canal along with the government and people of Panama. Panama's interest in defending the canal, and keeping it open, would be as great as our own. The old treaty does not have the support of the Panamanian people. For them, it means their nation is divided in two. It means that a Panamanian traveling from one side of the country to the other must pass through foreign jurisdiction. It means that they cannot call all of their country their own. We do not think of our presence in Panama as colonial, but the Panamanians do.

All of these elements of an outmoded relationship would be eliminated with the new treaties. The longstanding dream of the Panamanian people for a nation undivided would be fulfilled. The people of Panama would receive a fair share of the revenue from the canal which is, after all, their most valuable national resource.

Two-thirds of the Panamanian voters in their recent plebiscite [October 23] expressed their support for these treaties. Many of those who voted against the treaties did so because they were concerned that Panama had conceded too much to the United States. Nonetheless, it is clear that these treaties have the broad approval of the Panamanian people.

If we ever have to defend the canal, we will do so. But by standing together with Panama in defense of the canal, we reduce the risk that our soldiers will ever be called upon to fight and to die defending the canal.

Commercial Interests

What about our commercial interests in the canal? What effect will the new treaties have on the American economy? And what effect will it have on the Port of New Orleans? The primary consideration for businessmen who use the canal is to assure that it remains open and efficiently operated, that tolls remain reasonable, and that ships passing through the canal are safe. Companies that use the canal also want certainty about the future; they want a stable situation for the canal so that they can plan effectively. The treaties promote those interests.

As I have noted, the United States will operate the canal until the end of this century. During this period, Panamanians will gradually move into all aspects of canal operation. Running

ELLIOT L. RICHARDSON*

It is no secret that in 1976 I supported the Ford Administration in its negotiations with the Panamanian Government toward a new Panama Canal treaty. Today, I support the treaties negotiated by the present Administration. My support for the treaties is not based on some considerations which I regard as more important than national security. On the contrary, I support the treaties precisely and primarily because I believe that their ratification will enhance our national security—in the canal itself and in the vital Caribbean region.

Let us examine the possible threats to our continued use of the canal.

- First, there is a strategic nuclear threat. Presumably, nuclear arms would be used against the canal only in the context of a general nuclear exchange which would give us problems much more serious than just the defense of the canal. But the point is that no force stationed in what is now the Canal Zone could by itself prevent such an attack. General Torrijos has pointed out that the canal is "as defenseless as a newborn babe." It could be argued that, if anything, the canal is less likely to be a nuclear target if it is not under American control.

- Second, hypothetically there is a conventional naval threat to the canal. But the United States retains overwhelming naval preponderance in the area and can protect the approaches to the canal.

- Third, there is the threat of guerrilla warfare, terrorism, or sabotage. Defense against such a threat, in the jungle terrain of

the canal area, would be extremely difficult. . . .

With or without the new treaties, no one can promise you a foolproof defense against sabotage. But the new treaties would give the Panamanian people a greater stake in keeping the canal open and would give the Panamanian Government an increasing role in its operation and defense. The incentive for sabotage by individual Panamanians would be diminished; the capability and the motivation of the Panamanian Government to deter sabotage would be increased.

I have tried to show why I think that the new treaties would enhance our national security interests in the canal itself. But our decision on ratification of the treaties will have an effect on the nations of the Caribbean (in which I include Mexico and Central America) which is perhaps equally important to our national security.

We continue to regard the Caribbean as important to us strategically. We are extremely sensitive to Soviet and Cuban activities aimed at the other nations of the region. But we also rely on the Caribbean for our imports of commodities from bauxite to bananas. And like other independent nations, they have the ability to influence the resolution of many of the new issues of international interdependence, such as the law of the sea—in which I am deeply involved—energy, food, population, the environment, and so forth.

Since the Caribbean countries are important to us, and since we can no longer simply impose our will on them, it is in our interest to pay attention to what they think. And from their point of view, American influence in

their countries has not always been benign. They prize their national sovereignty and self-determination—concepts which we were the first to realize in the New World—but they find that their economic underdevelopment and dependence on the outside world, particularly on us, threatens their ability really to determine their future. There exists within the Caribbean the potential that nationalist forces would take an anti-American form, as they did in Cuba.

While it would be absurd to say that a resolution of the Panama Canal issue would also resolve the problems of the Caribbean, it is quite accurate to say that our ratification of these treaties would have a powerful effect on opinion in the area toward the United States. It would show the peoples of the region that the United States is prepared to be fair in its dealings with smaller and poorer nations. Our enemies would find it much more difficult to blame all the region's problems on "Yankee imperialism." And our friends in the region would find it easier to cooperate with us in solving those problems.

*Excerpts from an address to the Kansas City Lawyers Association in Kansas City on Jan. 12, 1978 (complete text of the "Panama Canal Treaties—A National Security Imperative" may be obtained from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520); Ambassador at Large Richardson is Special Representative of the President for the Law of the Sea Conference and was formerly Secretary of Health, Education, and Welfare; Secretary of Defense; Attorney General; Secretary of Commerce; and Deputy Secretary of State.

the canal is a complex job, but the ability to perform the many tasks involved is not a question of nationality; it is a question of training. The treaty arrangements insure that Panama will be fully prepared to operate the canal effectively by the end of this period.

Keeping the canal open and running smoothly will be an economic imperative for Panama. It already derives more than 10% of its gross domestic product from canal-related activities. Moreover under the new treaties, unlike the present situation, Panama's earnings from the canal will be directly related to the amount of traffic which passes through the canal. More ships will mean more money for Panama. For Panama to cut off access to any country, let alone to close the canal, would be for it to inflict a terrible wound on itself. As much as anything, that practical fact of life safeguards fu-

ture access to the canal for the ships of all nations.

The United States insisted during the negotiations that all payments to Panama for its contribution to the canal enterprise be drawn from the canal's revenues. To accomplish this and maintain the canal on a self-sustaining basis, some increase in the toll rate will be necessary. Our current study of the likely size of that increase is not yet completed, but it appears that it will be on the order of 30%. Is such an increase justified? And what will it mean for U.S. consumers and exporters?

Over the last 40 years, canal tolls have increased less than 40¢ per canal ton—from 90¢ to \$1.29. These charges are far lower than tolls for the Suez Canal. The economic impact of the likely toll increase will not be substantial. For a bushel of Iowa corn being shipped to Japan from New Orleans, a

40% increase in canal tolls would increase current transportation costs which are approximately 66¢, by less than 1/2 cent per bushel. In terms of the overall purchase price, such a toll increase would represent a small fraction of 1%.

Based upon analysis that we have undertaken, a toll increase on this order would produce no significant impact upon the volume of trade to and from the Port of New Orleans. Tolls only make up a small part of the total cost of shipping a product or commodity.

But this port and this city and this entire region could be adversely affected if we don't act now to assure a secure future for the canal. Most of this country's grain exports are shipped from gulf coast ports. Virtually all of the grain exported to the Far East passes through the canal. Thousands of jobs rely on that trade.

That trade—and those jobs—will be far more secure under the new treaties than the old.

The treaties mean far greater assurance that the canal will always remain open, that our use of it will never be interrupted, that ships passing through the canal will be safe, and that it will continue to operate as an important world trade route. I think that is important to each of us.

What about the cost of these treaties? It has been said that we are "paying Panama to take it." That simply is not true.

Under the new treaties, Panama will be receiving greater earnings from the canal. But the payments to Panama for its contribution to the canal enterprise will be drawn from the canal's revenues. The treaties require no payments of tax dollars from the U.S. Treasury to Panama, either now or in the future.

Separate from the treaties, we have agreed to seek certain loans, guarantees, and credits to assist Panama's development. All of these loans must be repaid. They are not grants. They will be used largely to finance U.S. trade and U.S. investment in Panama.

Political Concerns

Some people have asked what happens if a Communist government takes over in Panama? What would happen to the canal? The fact is there is little Communist influence in Panama. Continued disagreement with Panama over the canal will only have the effect of increasing that influence. Panama has a free enterprise economy. Its closest friends are the democratic governments of Venezuela, Colombia, Costa Rica, and Mexico. Its ties to the United States are strong. And most important, as the canal becomes something that the Panamanian people value as much as we do now, the advantages of exploiting it for political purposes will be substantially diminished.

Finally, it is asked whether these treaties represent an American withdrawal from the world? Are they a sign of U.S. retreat? Just the opposite is true. These treaties are entered into by an America that is looking to the future. They are entered into by an America that is confident of its strength and prepared to act as a responsible world power.

The treaties look to the future of American trade. They promote the long-term interests of the United States as well as other maritime nations that benefit from an open and secure canal.

The treaties reflect America's future military requirements. They modernize and protect our right to defend the

canal and they enhance our ability to defend it if that is ever necessary.

The treaties look to the future of our relations with our neighbors in this hemisphere. The other nations of Latin America share Panama's opposition to the old treaty. They share Panama's support for the new treaties.

I believe most Americans want to establish a more mature partnership with Latin America—one that is based on mutual respect and admiration. Strong common interests bind the people and nations of Latin America and the United States. Our economies need that relationship. Latin America is a major market for U.S. exports and an important supplier of valuable natural resources.

By eliminating a major source of irritation that has existed between us, the new treaties enable us to strengthen our relationships throughout Latin America and reassert the most powerful source, our influence—our reputation for fairness and justice.

Finally, the treaties look to the future of our relations with the rest of the world.

- They say to all the world that we will define our national interests carefully and we will protect those interests.

- They say to the world that disputes—even between large countries and small ones—can be resolved peacefully.

- And they say that we will act in the world in a way that is true to our values as a nation.

The same resourcefulness and ingenuity that enabled us to build the Panama Canal now leads us to build a

new arrangement for the canal that reflects present-day realities and provides for the future.

We are a nation that has been able to change with changing times. We have never rested on our laurels. We have always seized the opportunity to make things better.

The treaties serve America's interests. It is vitally important that they be approved by the United States Senate. Every American has a stake in the future they secure. □

¹Address in New Orleans on Jan. 12, 1978 (press release 14 of Jan. 12).

²For text of treaties and related materials, see BULLETINS of Oct. 17, 1977, p. 481 and Nov. 7, p. 615.

³For text of statement of understanding of Oct. 14, 1977, see BULLETIN of Nov. 7, p. 631.

Letters of Credence

The following newly appointed Ambassadors recently presented their credentials to President Carter:

November 22¹

Grenada—Franklyn O'Brien Dollard

January 18²

El Salvador—Roberto Quinonez Meza
Guatemala—Jorge Lamport Rodil □

¹For texts of the Ambassador's remarks and the President's reply, see Department of State press release of Nov. 22, 1977.

²For texts of the Ambassadors' remarks and the President's replies, see Department of State press releases of Jan. 18, 1978.

TREATIES: U.S., Mexico Initial Aviation Agreement¹

Delegations representing the United States and Mexico initialed a new airline route agreement and understanding relating to reduced fares and charter services on December 19, 1977, in Washington. The U.S. delegation was chaired by Joel W. Biller, Deputy Assistant Secretary of State for Transportation, Telecommunications, and Commercial Affairs. The Mexican delegation was chaired by Jorge Cendejas Quesada, Director General of Civil Aeronautics of Mexico.

The proposed agreements will be implemented by an exchange of diplo-

matic notes after appropriate internal clearance procedures are completed by the respective governments.

The new route agreement expands airline service between the United States and Mexico. New or improved service by U.S. and Mexican airlines will be available for 33 U.S. cities and 21 cities and resort points in Mexico. These U.S. cities are San Francisco, Oakland, San Jose, Los Angeles, Seattle, Albuquerque, El Paso, Houston, Dallas, Fort Worth, San Antonio, Harlingen, Chicago, Minneapolis, St. Paul, Kansas City, Denver, Boston,

New York, Washington, Baltimore, Philadelphia, Cleveland, Detroit, Atlanta, New Orleans, Memphis, Tampa, San Juan, San Diego, Tucson, Phoenix, and St. Louis.

The Mexican points to which new or improved services will be provided are existing and new resort points on the east and west coasts of Mexico (Manzanillo, Zihuatenejo, Mazatlan, Puerto Vallarta, Acapulco, Loreto, La Paz, San Jose de Cabo, Cancun, Cozumel, and Guayamas); the major air traffic centers of Mexico City, Guadalajara, Monterrey, Tampico, and Merida; and other cities such as Oaxaca, Bahia Kino, Hermosillo, Mexicali, and Tijuana.

The United States will also obtain expanded rights for its airlines to operate beyond Mexico to Central and South America on flights from New York, Washington, Baltimore, Dallas, Fort Worth, San Antonio, and Los Angeles.

The proposed agreement will also

remove most of the existing restrictions on the operation of U.S. routes.

Both governments agreed to encourage and facilitate airlines to propose and implement innovative, reduced fares for scheduled services.

A charter services understanding contains acceptance of the country-of-origin rules for charterworthiness of flights, designation of U.S. scheduled and supplemental airlines to operate charters, and a declaration of intent to accept charter flights liberally. A consultative mechanism is established to handle any outstanding issues. The agreement and the understandings will be in force until December 31, 1982.

These agreements, resulted from negotiations which covered the past 7 years. The most recent rounds of talks were held September 12-21 in Washington, November 29-December 2 in Mexico City, and December 13-19 in Washington. □

¹ Press release 581 of Dec. 20, 1977.

Current Actions

MULTILATERAL

Antarctica

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty of December 1, 1959. TIAS 4780. Adopted at Oslo June 20, 1975 at the Eighth Consultative Meeting.¹

Notification of approval: Union of Soviet Socialist Republics, November 14, 1977.

Aviation

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague December 16, 1970. Entered into force October 14, 1971. TIAS 7192.

Accession deposited: Cape Verde, October 20, 1977.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971. Entered into force January 26, 1973. TIAS 7570.

Accessions deposited: Cape Verde, October 20, 1977; Lebanon, December 23, 1977.

Containers

International convention for safe containers (CSC), with annexes. Done at Geneva December 2, 1972. Entered into force September 6, 1977.

Ratification deposited: United States, January 3, 1978.

Enters into force for the United States: January 3, 1979.

Cultural Relations

Agreement on the importation of educational, scientific, and cultural materials, and protocol. Done at Lake Success November 22, 1950. Entered into force May 21, 1952; for the United States November 2, 1966. TIAS 6129.

Accession deposited: Oman, December 19, 1977.

Diplomatic Relations

Vienna convention on diplomatic relations. Done at Vienna April 18, 1961. Entered into force April 24, 1964; for the United States December 13, 1972. TIAS 7502.

Accession deposited: Bolivia, December 28, 1977.

Environmental Modification

Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977.¹

Signature: India, December 10, 1977.

Finance

Agreement establishing the International Fund

for Agricultural Development. Done at Rome June 13, 1976. Entered into force November 30, 1977.

Signature: Costa Rica, December 20, 1977.

Ratifications deposited: Senegal, December 13, 1977; Turkey, December 14, 1977.

Accessions deposited: Djibouti, Upper Volta, December 14, 1977; Uruguay, Zambia, December 16, 1977; Haiti, December 17, 1977; Cyprus, December 20, 1977.

Health

Amendments to Articles 24 and 25 of the Constitution of the World Health Organization July 22, 1946, as amended (TIAS 1808, 464 8086, 8534). Adopted at Geneva May 1, 1976.¹

Acceptance deposited: Ivory Coast, December 16, 1977.

Human Rights

American convention on human rights. Done San Jose November 22, 1969.¹

Ratification deposited: Ecuador, December 28, 1977.

Postal

Second additional protocol to the constitution of the Universal Postal Union of July 10, 1908 (TIAS 5881, 7150), general regulations with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Done at Lausanne July 1974. Entered into force January 1, 1977. TIAS 8231.

Ratifications deposited: Bulgaria, October 2, 1977; China, People's Republic of, November 30, 1977; Greece, September 2, 1977; Indonesia, August 31, 1977; New Zealand, September 26, 1977;² Poland, February 4, 1977.

Money orders and postal travellers' check agreement, with detailed regulations. Done at Lausanne July 5, 1974. Entered into force January 1, 1976. TIAS 8232.

Ratifications deposited: Bulgaria, October 2, 1977; Greece, September 26, 1977; Indonesia, August 31, 1977; Poland, August 31, 1977.

Accession deposited: Iraq, August 30, 1977.

Space

Convention on registration of objects launched into outer space. Done at New York January 14, 1975. Entered into force September 15, 1976. TIAS 8480.

Accession deposited: Seychelles, December 28, 1977.

Sugar

International sugar agreement, 1977, with annexes. Done at Geneva October 7, 1977. Entered into force provisionally, January 1, 1978.

Signatures: Cuba, Ecuador, December 14, 1977; Kenya, Nicaragua, December 15, 1977; Barbados, Peru, December 16, 1977; Haiti, South Africa, December 19, 1977; Australia, Costa Rica, Hungary, December

20, 1977; United Kingdom, December 20, 1977;³ Swaziland, Trinidad and Tobago, December 21, 1977; New Zealand, December 22, 1977.

Ratification deposited: Barbados, December 16, 1977; Swaziland, December 21, 1977.

Acceptance deposited: Mauritius, December 20, 1977.

Notifications of provisional application deposited: Nicaragua, December 15, 1977; Australia, Guatemala, Hungary, December 20, 1977; Costa Rica, December 22, 1977; United States, December 28, 1977.

telecommunications

International telecommunication convention, with annexes and protocols. Done at Malaga-Torremolinos October 25, 1973. Entered into force January 1, 1975; for the United States April 7, 1976. TIAS 8572.

Accession deposited: Djibouti, November 22, 1977.

trade

Eleventh proces-verbal extending the declaration on the provisional accession of Tunisia to the GATT. Done at Geneva November 11, 1977. Enters into force between Tunisia and any participating government as soon as it shall have been accepted by Tunisia and such government.

Second proces-verbal extending the declaration of the provisional accession of the Philippines to the GATT. Done at Geneva November 11, 1977. Enters into force between the Philippines and any participating government as soon as it shall have been accepted by the Philippines and such government.

Arrangement regarding international trade in textiles, with annexes. Done at Geneva December 20, 1973. Entered into force January 1, 1974, except for Article 2, paragraphs 2, 3, and 4 which entered into force April 1, 1974. TIAS 7840.

Acceptance deposited: Peru, November 7, 1977.

ILATERAL

Brazil

Agreement relating to equal access to ocean carriage of government-controlled cargoes. Effected by exchange of letters at Washington November 17, 1977. Entered into force November 17, 1977.

Canada

Memorandum of understanding concerning reciprocal recognition of Great Lakes load lines. Signed at Ottawa November 21, 1977. Entered into force November 21, 1977.

Madagascar

Object grant agreement relating to human resources development, with annexes. Signed at N'Djamena August 25, 1977. Entered into force August 25, 1977.

Republic of China

Interim agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Washington December 16, 1977. Entered into force December 16, 1977.

Dominican Republic

Agreement relating to the limitation of meat imports from the Dominican Republic during calendar year 1978. Effected by exchange of notes at Washington December 21 and 28, 1977. Entered into force December 28, 1977.

Egypt

Agreement for sales of agricultural commodities, relating to the agreement of June 7, 1974 (TIAS 7855), with agreed minutes and related letter. Signed at Cairo December 7, 1977. Entered into force December 7, 1977.

Arrangement amending the arrangement of April 13 and 25, 1974, as amended (TIAS 7859, 8169), to make it applicable to hydrographic survey operations in environs of Port Said and Gulf of Suez and contiguous waters. Effected by exchange of letters at Cairo December 2 and 17, 1977. Entered into force December 17, 1977.

Finland

Agreement modifying the air transport agreement of March 29, 1949, to permit experimental implementation of low-cost fares. Effected by exchange of notes at Helsinki December 5 and 9, 1977. Entered into force December 9, 1977.

Guatemala

Agreement relating to the limitation of meat imports from Guatemala during calendar year 1978. Effected by exchange of notes at Washington December 21 and 28, 1977. Entered into force December 28, 1977.

Guinea

Agreement for sales of agricultural commodities, relating to the agreement of April 21, 1976, with memorandum of understanding. Signed at Conakry December 10, 1977. Entered into force December 10, 1977.

Haiti

Agreement relating to limitation of meat imports from Haiti during calendar year 1978. Effected by exchange of notes at Washington December 21 and 30, 1977. Entered into force December 30, 1977.

Honduras

Agreement relating to the limitation of meat imports from Honduras during calendar year 1978. Effected by exchange of notes at Washington December 21 and 30, 1977. Entered into force December 30, 1977.

India

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Washington December 30, 1977. Entered into force December 30, 1977; effective January 1, 1978.

Israel

Agreement for sales of agricultural commodities, relating to the agreement of December 16, 1974. Signed at Washington December 21, 1977. Entered into force December 21, 1977.

Jamaica

Agreement relating to trade in textiles, with annex. Effected by exchange of notes at Washington November 22 and December 20, 1977. Entered into force December 20, 1977.

Agreement amending the agreement for sales of agricultural commodities of August 8, 1977. Effected by exchange of notes at Kingston December 2 and 21, 1977. Entered into force December 21, 1977.

Republic of Korea

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes and related letter. Effected by exchanges of notes at Washington December 23, 1977. Entered into force December 23, 1977; effective January 1, 1978.

Mexico

Agreement concerning fisheries off the coasts of the United States. Signed at Washington August 26, 1977.

Entered into force: December 29, 1977.

Nicaragua

Agreement relating to the limitation of meat imports from Nicaragua during calendar year 1978. Effected by exchange of notes at Washington December 21 and 26, 1977. Entered into force December 26, 1977.

Pakistan

Agreement modifying the air services agreement of November 14, 1946 (TIAS 1586), to permit experimental implementation of low-cost fares. Effected by exchange of notes at Islamabad October 16 and November 15, 1977. Entered into force November 15, 1977.

Agreement for sales of agricultural commodities, relating to the agreement of November 23, 1974 (TIAS 7971), with minutes. Signed at Islamabad December 22, 1977. Entered into force December 22, 1977.

Agreement relating to trade in cotton textiles, with annexes. Effected by exchange of notes at Washington January 4 and 9, 1978. Entered into force January 9, 1978; effective January 1, 1978.

Philippines

Agreement amending the agreement of October 15, 1975, as amended and extended (TIAS 8179), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Manila December 27, 1977. Entered into force December 27, 1977. □

¹ Not in force.

² Applicable to the Cook Islands, Niue, and Tokelau.

³ In respect to Belize and Saint Christopher-Nevis-Anguilla.

PRESS RELEASES:

Department of State

January 6-February 6

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject	No.	Date	Subject	No.	Date	Subject
*6	1/6	U.S., Jamaica sign textile agreement, Nov. 22, Dec. 20.	*23	1/14	Vance: telephone interview to town hall meeting, Springfield, Mass.	41	1/21	ference, the Barrage, Egypt, Jan. 20.
7	1/7	Vance: statement at ceremony to return the Crown of St. Stephen, Budapest, Jan. 5.	*24	1/15	Dr. Vincent E. McKelvey named Senior Scientific Advisor to U.S. delegation to the Law of the Sea Conference and Deputy U.S. Representative (biographic data).	*42	1/21	Vance, Ecevit: remarks before working dinner, Ankara, Jan. 20.
*8	1/7	U.S., India sign textile agreement, Dec. 30.	*25	1/16	U.S., Singapore amend textile agreement, Mar. 29, June 17, Nov. 10 and 23.	*43	1/21	Vance: departure statement, Ankara.
*9	1/7	Vance: dinner toast, Budapest, Jan. 6.	*26	1/17	Vance: arrival remarks, Jerusalem, Jan. 16.	*44	1/23	Vance, Papaligouras: arrival remarks, Athens, Jan. 21.
*10	1/9	Young Hispanic Leadership Seminar, Washington, Jan. 16-17.	*27	1/17	Study Group 6 of the U.S. Organization for the International Radio Consultative Committee (CCIR), Feb. 14-15.	45	1/22	Vance, Caramanlis: remarks to the press, Athens.
*11	1/9	Conference on U.S., Caribbean trade, investment, and development, Miami, Jan. 19-20.	28	1/17	Vance: statement at opening session of the Political Committee, Jerusalem.	*46	1/25	Vance, Papaligouras: departure statement, Athens, Jan. 22.
*12	1/11	Vance: address at Morris Harvey College, Charleston, W. Va.	29	1/18	Vance, Begin, Kamel: exchange of toasts, Jerusalem, Jan. 17.	47	1/23	Vance: arrival remarks, Andrews Air Force Base, Jan. 22.
*13	1/12	Vance: address in Louisville.	*30	1/18	Vance: remarks to the press, Jerusalem.	†48	1/23	Vance: statement before the Senate Governmental Affairs Committee.
*13A	1/13	Vance: question-and-answer session following address in Louisville, Jan. 12.	*31	1/19	Vance: remarks to the press, Jerusalem, Jan. 18.	*49	1/23	Vance: remarks to the press following his statement before the Senate Governmental Affairs Committee.
14	1/12	Vance: address in New Orleans.	*32	1/19	Vance: remarks to the press, Jerusalem, Jan. 18.	50	1/24	Vance: statement before the House Committee on International Relations.
*15	1/12	U.S., Thailand amend textile agreement, Apr. 4, May 20.	*33	1/19	Study Group 7 of the U.S. Organization for the International Radio Consultative Committee (CCIR), Feb. 22.	*51	1/24	Vance: remarks to the press following his statement before the House Committee on International Relations.
*16	1/12	U.S., Macau amend textile agreement, Aug. 4 and 17, Oct. 20 and 29.	*34	1/19	U.S. Advisory Commission on International Educational and Cultural Affairs, Feb. 27.	*52	1/24	U.S., Philippines amend textile agreement, Jan. 4.
*17	1/12	U.S., Pakistan sign cotton textile agreement, Jan. 4 and 9.	*35	1/20	Vance, Dayan: departure remarks, Tel Aviv.	*53	1/27	Acting Secretary requests Secretary of the Interior withdraw from sale certain oil and gas leases in Gulf of Maine.
18	1/13	Vance: address before Los Angeles World Affairs Council.	*36	1/20	Advisory Committee on Private International Law, study group on maritime law matters, Feb. 15.	*54	1/30	Advisory Committee on Private International Law, Feb. 22.
*18A	1/16	Vance: question-and-answer session following address in Los Angeles, Jan. 13.	*37	1/20	Shipping Coordinating Committee, Subcommittee on Safety of Life at Sea, working group on radiocommunications, Feb. 16.	*55	1/30	U.S., Egypt sign textile agreement, Dec. 7 and 28.
*19	1/13	U.S., Canadian negotiations on the Atikokan generating station.	*38	1/20	Vice President signs air transport agreement between the U.S. and Mexico.	*56	1/30	U.S., Poland sign textile agreement, Jan. 9 and 12.
*20	1/13	Advisory Committee on the Law of the Sea; closed session Mar. 2, open and closed sessions Mar. 3.	39	1/20	Vance, Begin: remarks to the press following their meeting, Jerusalem, Jan. 19.	*57	1/30	Vance, Dinitz: remarks to the press following their meeting, Jan. 27.
*21	1/13	U.S., Philippines amend textile agreement, Dec. 27.	40	1/21	Vance, Sadat: joint news conference, the Barrage, Egypt, Jan. 20.	*58	1/30	James R. Atwood sworn in as Deputy Assistant Secretary for Transportation Affairs (biographic data).
*22	1/16	New U.S.-U.S.S.R. hotline activated.				*59	1/31	Ocean Affairs Advisory Committee, marine science section, Mar. 16.

* Not printed.

† Held for a later edition of the BULLETIN.

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Julius L. Katz
Warren Christopher
Lucy Wilson Benson
Secretary Vance
President Carter

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The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; special features and articles on international affairs; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party.

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through January 31, 1981.

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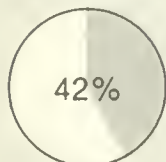
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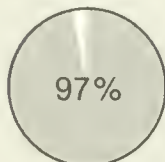
U.S. COMMODITY IMPORT DEPENDENCE AND SOURCES (1977 est.)

Petroleum



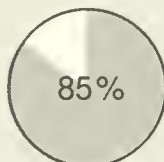
Arab OPEC 48%
Non-Arab OPEC 34%
(incl. Iran 7.8%)

Cobalt



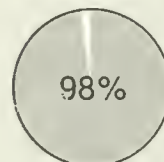
Zaire 47%
Belgium and Luxembourg 24%

Asbestos



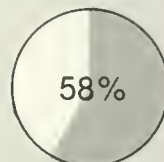
Canada 96%

Manganese Ore



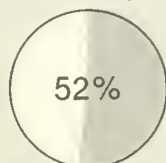
Brazil 37%
Gabon 31%

Zinc



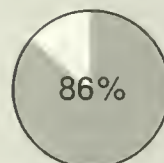
Canada 57%

Antimony



Metal—P.R.C. 18%
Mexico 16%
Ore—South Africa 44%
Bolivia 20%
Oxide—South Africa 41%
U.K. 22%
Bauxite (exc. alumina)

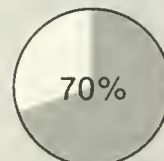
Tin



Malaysia 50%
Thailand 14%
Bolivia 14%

UNITED STATES

Nickel



Canada 60%

99%

Jamaica 48%
Surinam 18%

Natural Rubber



Indonesia 45%
Malaysia 30%

Diamonds (Industrial stones)
(1976)



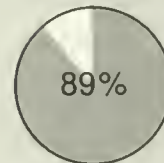
South Africa 53%
Zaire 11%

Abaca



Philippines 70%
Ecuador 30%

Chromium



CHROMITE
South Africa 39%
U.S.S.R. 24%
FERROCHROMIUM
South Africa 34%
Southern Rhodesia 24%

NOTE: Percentages following country names represent percentages of U.S. imports, not consumption.

INTERNATIONAL COMMODITY POLICY

Julius L. Katz

I am pleased to have this opportunity to testify before your subcommittee in support of H.R. 9486, a bill to authorize a contribution of up to 5,000 metric tons of tin metal to the buffer stock operated by the International Tin Agreement. To set this question in its proper context, I would like to outline the administration's general international commodity policy and the status of current international discussions on several other key commodities.

The United States is a major consumer and producer of many critical materials—both mineral and agricultural. We have a stake in the efficient functioning of the international markets for such commodities. Our objectives are two-fold and address short-term and long-term problems of balance between market supply and demand.

In the short term we recognize that extreme and erratic fluctuations in commodity prices can damage our interests and those of developing countries which depend on the export of a major commodity. This problem was made clear during the great commodity boom-bust cycle of 1973-75 which paralleled the onset of the petroleum crisis. Sharp boosts in commodity prices can add impetus to domestic inflation in our economy through pressure on manufacturing costs and wages. The rise in costs becomes embedded in the economic structure and persists long after commodity prices move downward. The sharp declines in raw material prices, which usually follow peaks in the commodity price cycle, also injure producers and cause major drops in the foreign exchange earnings of developing country producers.

In the longer term we have an interest in assuring needed supplies of basic raw materials at reasonable prices. This requires adequate flows of new investment to insure that new supplies can be brought into the market to keep pace with rising demand. Excessive price instability works against this interest by creating uncertainty on the part of investors about expected returns from projects.

This long-term global supply challenge—in agricultural and nonagricultural commodities—is being met partly through domestic investment but

also through a variety of international mechanisms, including bilateral aid, investment insurance, international financial institutions, and private foreign investment.

Sources of Financing

Private multinational corporations will undoubtedly remain essential to achieving adequate supplies of raw materials for the global economy in the foreseeable future. Recognizing that prospect, and the fact that developing countries are likely to provide a growing share of global reserves of key raw materials, investment insurance programs, such as those of the Overseas Private Investment Corporation (OPIC), help create conditions conducive to sound investments. By ameliorating political risk factors, OPIC enables prospective investors to make decisions based mainly on economic criteria and in this way contributes to a more efficient allocation of capital resources.

Despite the continued importance of foreign investment, national resource exploitation in developing countries

has, in recent years, been marked by a growing role for national governments. The traditional long-term concession agreement between the host country and foreign investor has given way to a variety of complex contractual arrangements which have resulted in more active government participation, if not control. Furthermore, in the face of rapidly escalating costs, the major source of financing has shifted from internally generated capital of private corporations to debt.

Under these changing circumstances, international financial institutions, such as the World Bank, with our support are providing new sources of investment capital. World Bank participation can also act as a catalyst to private investment in some cases by providing a buffer between the host government and prospective private operators or commercial creditors.

The Integrated Program

The United States is now engaged internationally in a comprehensive effort to deal with these problems of commodity trade in the so-called Integrated

Julius L. Katz was born in New York City on March 9, 1925. He received his B.A. degree from the George Washington University and served with U.S. Army in Europe from 1943-45.

Mr. Katz began his career with the Department of State in 1950, holding several positions dealing with U.S. economic relations with the Soviet Union, Yugoslavia, Poland, and other countries of Eastern Europe.

He was designated Deputy Director of the Office of International Trade in 1963 and promoted to Director in 1965. In this capacity he was primarily concerned with the Kennedy Round of trade negotiations under the auspices of the General Agreement on Tariffs and Trade and attended a number of meetings and working parties of the GATT. His responsibilities also involved bilateral negotiations and legislative activities in the trade field. In 1967 Mr. Katz was named Director of the Office of International Commodities.

Mr. Katz was appointed the senior Deputy Assistant Secretary for Economic and Business in April 1974. From July 1968 until April 1976 he was Deputy Assistant Secretary for International Resources and Food Policy—serving in a dual capacity from 1974



to 1976. Mr. Katz was sworn in as Assistant Secretary for Economic and Business Affairs in September 1976. Mr. Katz is the recipient of the Department's Superior Service Award (1965) and the Distinguished Honor Award (1976), the Department's highest award.

Program for Commodities. This program was first put forward in 1975 in the United Nations Conference on Trade and Development (UNCTAD) by the UNCTAD Secretariat with the strong support of the developing countries. Implementation of the program was called for at UNCTAD IV in Nairobi in May 1976.

The program involves technical discussions in UNCTAD of market conditions for 18 major commodities. These technical discussions are to be followed where appropriate by efforts to negotiate international price stabilization agreements and other measures to improve the functioning of the market. We have been participating actively in these discussions since 1976, and they will continue throughout 1978.

The Administration believes that international price stabilization arrangements should be considered for specific commodities where such arrangements are feasible and appropriate. Where markets do not permit smooth adjustments to shifts in supply and demand, there may be a case for international agreements to improve the way in which a particular commodity market operates. We prefer to use instruments which enhance, rather than replace, market mechanisms. The technical objective in any given case would be to stabilize the market price of the commodity around its long-term trend, as determined by the forces of supply and demand. We are opposed to arrangements which introduce artificially rigid mechanisms to replace fully operative markets or which try to peg prices at artificially high levels.

Ideally, we would prefer to stabilize commodity prices through the operation of internationally constituted and financed buffer stocks. Such buffer stocks would seek to reduce price fluctuations around long-term market trends. A buffer stock would buy the commodity to defend the minimum price objectives and would release stocks to the market to protect the maximum price objectives. This technique permits market forces to operate within the agreed price objectives. Distortions of the market can thus be minimized so that producers and investors can respond to market signals in making decisions on investment and resource allocations.

But the establishment of buffer stocks is not a simple matter, given the complexities of the particular market and the international negotiation process. It is often difficult, in practice, to formulate a stabilization system based on a pure buffer stock model. Long-term market trends are frequently difficult to determine. The width of the

price band and the calculation of the size of the buffer stock required to defend the band can be difficult technical problems. These problems are compounded when one tries to decide on such details in negotiations with other governments which often have differing views on these issues.

Objective conditions prevailing in particular markets may also require the use of other mechanisms. "Pure" buffer stocks are not always appropriate. Not all commodities can be easily stored, and costs may sometimes make an international stocking arrangement infeasible. In such instances, as in the case of the new International Sugar Agreement, it may be necessary to adopt market-sharing arrangements, with export quotas for producers backed by nationally held and internationally coordinated reserve stocks. Such a system provides for stocks to absorb a portion of surplus production which is then available to protect the ceiling price in the agreement. Arbitrary and rigid controls on production can thus be avoided. Such controls, as I will later mention with respect to the tin agreement, are generally destabilizing. By holding down production and investment, they prevent the buildup of stocks which respond to excessive price increases.

I might point out here that, in the debate over the relative merits of buffer stocking as opposed to supply management, the issue of the cost of buffer stocking is often overstated. The capital costs of a buffer stock (e.g., copper) are often thrown up as a major argument against such devices. A balanced argument, however, must take into account the economic benefits which might flow from such a stock as well as the costs. Stabilization through such a mechanism may give rise to net benefits through reduced inflation; greater assurance of adequate supply at reasonable prices; and, over the long run, more stable export earnings for producers.

Price stabilization measures, however, are not necessary or appropriate for all commodities. For example, there are some commodities, such as jute, which suffer from a long-term decline in demand. In such cases, other measures may be called for, such as market promotion and research and development for new products or new uses. In the case of commodities, which are in chronic oversupply, diversification programs to promote production of other commodities may be needed.

The choice among these approaches will depend on a rigorous analysis of each commodity market to determine

what imperfections exist and what techniques might be most suitable to correct them. There is no single formula that can be applied in every case. Whatever the approach, our commitment is to work seriously with other governments to develop workable, beneficial means of handling commodity trade problems.

Compensatory Finance

Aside from the commodity-specific framework of UNCTAD, we have been addressing the more general balance-of-payments problems which developing countries often confront in unstable raw material markets. Since it was liberalized in 1975, the International Monetary Fund (IMF) Compensatory Finance Facility has provided effective relief in the form of loan funds to countries experiencing short-term export earnings shortfalls. If, for example, a country's overall export earnings decline for a particular year as a result of a cyclical slump in world prices or demand for raw materials, that country can receive IMF financing to help compensate for the shortfall. This mechanism thus alleviates the impact of commodity market fluctuations on foreign exchange earnings and permits governments to plan their own development programs with greater certainty about the resources that will be available.

Specific Commodity Issues

I want to turn now to some examples of specific commodity agreements and negotiations in which we are involved to illustrate the problems that arise in moving from general principles to practical problems of commodity negotiations.

Tin. The United States joined the Fifth International Tin Agreement (ITA) in 1976, and we have participated actively since then in the International Tin Council (ITC), the ITA's executive body. We entered the agreement because we judged that U.S. participation would help to further our international economic and political interests. On the economic side, the United States is the leading consumer of tin. We acquire more than 80% of our current tin consumption from abroad, with the remainder coming from domestic secondary production. The metal is an important basic input for key industrial uses, especially in the steel and solder industries.

The tin trade is even more important for the exporting countries in the ITA—particularly Malaysia, Bolivia and Thailand—where it is a major

source of domestic employment, government revenue, and export earnings. By joining the tin council, the United States put itself in a better position to influence the council's policies affecting the long-term supply of tin, thus protecting both American industry and consumers. Our decision clearly demonstrated our commitment to the idea of joint producer-consumer cooperation in international raw materials problems and also reaffirmed our willingness to respond forthrightly to the legitimate needs of the developing world.

The intent of the ITA is to balance international supply and demand of tin, stabilizing the price within an agreed band at levels deemed to be both remunerative for producers and fair to consumers. To the extent that the ITA can be effective in achieving those objectives, it can contribute to the economic health of the participating countries and also demonstrate the feasibility of international cooperation in dealing with major trade and developmental problems.

The purpose of the bill now before the committee is to help rectify several major problems which have hampered the ITA historically. The most important of these is that the buffer stock operated by the agreement has been too small to stabilize the world tin price effectively. In periods of slack demand and falling prices, the buffer stock could not absorb enough metal from the market to defend the floor price. This has led the tin council to rely excessively on export controls, the other major component of the ITA's stabilization machinery, to keep the price above the floor level. Conversely, when shortages have appeared and prices have hit the price ceiling, the buffer stock has had insufficient metal to release into the market to dampen the price rise.

Application of these controls has tended to inhibit production and discourage new investment in the tin industry. Over the short term, export controls are inherently more cumbersome and slower to take effect in the market than are buffer stock purchases and sales. There are long lags between the imposition and subsequent relaxation of such controls and any actual impact on market supplies and prices. The result has been the development of chronic tin shortages and a tripling of tin price over the past 5 years. This situation has been made worse, of course, by the exhaustion of the ITA's buffer stock in the face of such price increases.

Another important factor which interferes with price stabilization and supply growth is the imposition of ex-

cessively high production taxes and restrictive licensing practices by some producing country governments.

The combination of export controls and production limitations, together with restrictive domestic tax and investment policies, has produced a persistent deficit between tin metal production and consumption. Production of tin concentrates has dropped from a peak of 196,000 metric tons in 1972 to 185,000 tons in 1977. In 1977 the gap between current world tin metal production and consumption was approximately 20,000 metric tons, a figure which is not expected to decline appreciably in 1978.

This deficit will persist at least until 1980 and will generate continued pressure on tin prices, in the absence of infusions of metal into the market from the General Services Administration (GSA) stockpile and other sources. While the average New York price in 1972 was \$1.77 per pound, the latest price is around \$5.30 a pound. This is above the \$4.60 ceiling price of the ITA's price band, a situation which has prevailed for the last 14 months in spite of several upward shifts in the band during that period. The obvious failure of supply to respond to these price increases clearly shows the effects of the export control policies followed by the ITA and the major producers. In sum, the world tin market is not functioning efficiently.

The contribution to the tin buffer stock which H.R. 9486 would authorize is intended to help alleviate this situation and to make the ITA a more effective stabilization instrument. It should also support the efforts of importing countries to persuade the major producers that a modification of their tax and investment policies is essential to our joint efforts to insure stable long-run growth in the tin market.

The ITA provides for a buffer stock with a nominal level of 40,000 metric tons. Half of this is to be in the form of mandatory contributions from producers with the rest made up of voluntary contributions of metal or the cash equivalent from consuming countries. Six other consuming countries have thus far contributed or pledged the equivalent of about 4,000 metric tons. Our contribution would, we believe, encourage other consumers to contribute. It would also demonstrate, in concrete fashion, the seriousness of our commitment to participate in workable international commodity arrangements.

Since we consider that the ITA has economic benefits for us, both with respect to short-term stabilization and long-term assurance of reasonably priced supplies, we should share the

cost of making it work. We have stated that the same principle of mutual producer-consumer responsibility applies as well to other commodity agreements which we have recently joined or may join.

An increase in the buffer stock will also strengthen our arguments within the tin council against the excessive and prolonged use of export controls. A larger buffer stock should permit the ITA to moderate the price volatility which has plagued the tin industry during the 1970's. Over the longer run, such enhanced price stability, along with appropriate tax and investment policies in producing countries, should help bring about the new investment necessary to assure adequate supplies of tin in the 1980's and beyond.

The provisions of H.R. 9486 would assist us to carry out our objectives with regard to the ITA. The bill would authorize the President to direct the Administrator of the General Services Administration to transfer up to 5,000 metric tons of tin metal to the International Tin Council. The contribution would be made from metal which is surplus to our needs under the Strategic and Critical Materials Stock Piling Act. At the moment, GSA holds some 168,000 tons of surplus tin out of a total stockpile of 201,000 tons, so that the bill would have no impact on our strategic needs for the metal.

Based on the number of votes we have in the tin council (26% of total consumer votes) our pro rata share of the 20,000 tons of consumer contributions provided for in the agreement is 5,220 tons. This quantity at the current ITC floor price would have a value of \$43.5 million which is the valuation given to our contribution for purposes of liquidation and repayment to the United States upon termination of the agreement. At current market prices, however, \$43.5 million would equate to approximately 3,500 tons of tin metal. It is this quantity, therefore, that the United States would contribute in the present circumstances. Should either the market or ITC floor price change prior to the contribution, however, the amount of the contribution would be adjusted accordingly. We anticipate that the tin will remain physically in the United States and will be sold here.

This contribution will not disrupt the tin market. As I noted earlier, the market price is substantially above the ITA's present price band. The release of additional tin metal through our contribution will help to dampen these high market prices. Some producer countries themselves, realizing that excessively high prices will cause a long-term shift

in consumption away from tin, welcome our proposed addition to the tin buffer stock.

I would note here that while we have used the term "contribution," we are in effect making an investment in the tin buffer stock. This investment will be returned to us at the termination of the agreement in 1981, along with our pro rata share of any profits resulting from buffer stock operations. While a profit is not guaranteed, contributions have earned an average return of 8% per annum in past agreements.

Wheat. As you know, a negotiating conference convened in Geneva last week to begin negotiations on a new International Wheat Agreement that would replace the 1971 International Wheat Agreement, which lapses this June. The conference will consider both a new wheat trade convention and a new agreement of food aid to food-deficit developing countries. Our principal

objective in these talks is to obtain an agreement that will help to stabilize world wheat prices, expand trade in wheat, and enhance world food security.

We are the largest wheat-exporting country. Our share in total world wheat exports for the current crop year will be around 40%—down from 47% in 1972–75 but still crucial for our overall trade position and the well-being of our domestic producers. Our dominant position in wheat trade, however, has carried with it certain costs. Because some countries insulate their domestic markets from world trade, we have borne a disproportionate share of the burden of adjusting world supplies to shifts in demand. We have held the world's wheat reserve stock, and it is our farmers who have had to adjust production to meet major variations in world demand for wheat.

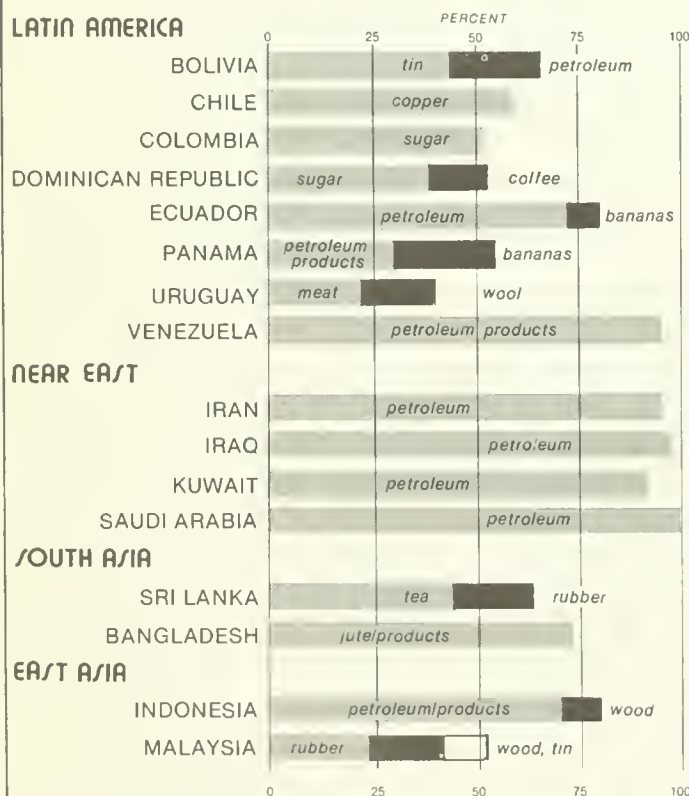
I cannot now describe in detail the

provisions which will emerge from negotiations. The text under consideration, however, includes all the major elements we proposed in the International Wheat Council last year. The system, in our view, should be based upon nationally held, internationally coordinated wheat reserve stocks which would be used to stabilize the world wheat price within a wide price band. We are opposed to setting rigid maximum and minimum trading prices since experience shows that such rigid limits could not work without equally rigid market-sharing provisions. Such an agreement would not be acceptable to any of the major participants in negotiations.

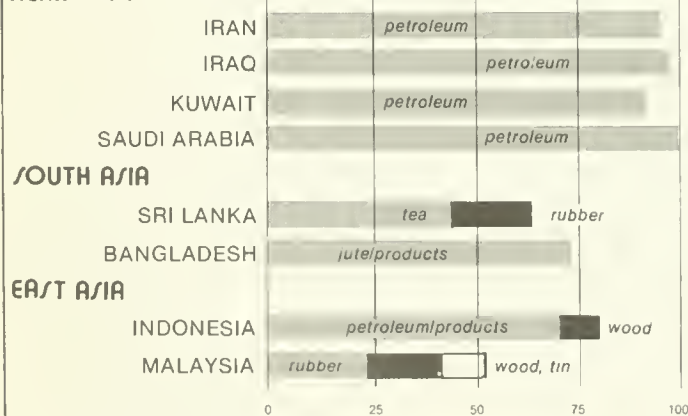
Any wheat agreement needs to be accompanied by provisions liberalizing the world grain trade. It should insure that efficient producers have an incentive to maintain productive capacity. One or two countries

DEVELOPING COUNTRY DEPENDENCE ON PRIMARY PRODUCTS FOR FOREIGN EXCHANGE EARNINGS

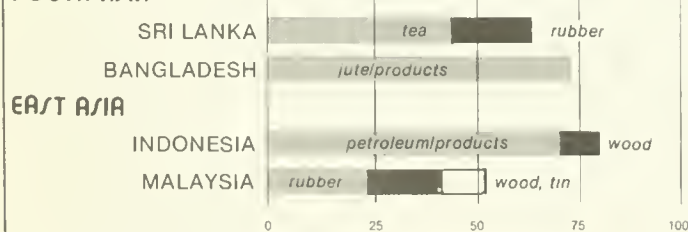
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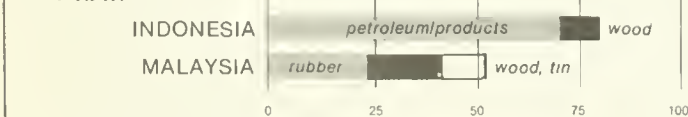
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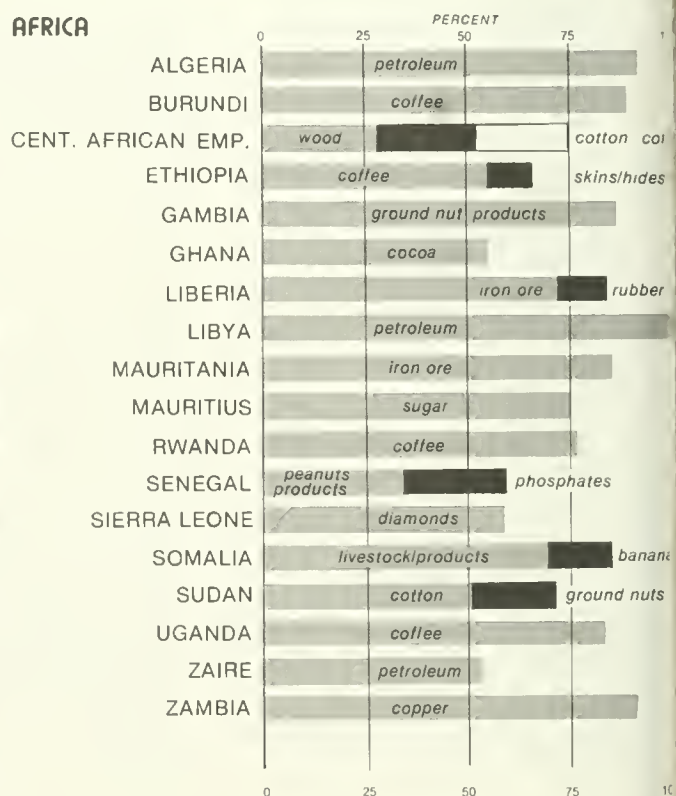
SOUTH ASIA



EAST ASIA



AFRICA



Source: International Financial Statistics, 1976.

ould not be forced to carry the major burden of adjustment to market changes.

Coffee. Coffee is a commodity for which we already have an agreement. In fact, the United States has participated in three International Coffee Agreements since 1962. The characteristics of the coffee economy and its market conditions dictated a market-clearing approach in this case rather than a buffer stock approach. Coffee agreements have relied primarily on export quotas to insure orderly marketing of surplus production and stocks which prevailed for most of the 1960's. The 1962 and 1968 agreements succeeded in their objectives of preventing a collapse of coffee prices to disaster levels and of encouraging exporters to move into other products offering higher returns. In retrospect it seems that the disincentives to new investments were excessive as was the decline in stocks during this period. Thus the world was ill-prepared for the sharp production losses in Brazil and elsewhere in 1975, resulting in record high prices.

The 1976 International Coffee Agreement is essentially a standby agreement, intended to encourage a restoration of production from the tight supply situation brought on by the 1975 Brazilian frost and temporary declines in production in other producing countries. The export quotas provided for in the agreement are in suspense and will not come into effect until the market price descends to the trigger levels set in the agreement.

The formula employed currently would place the trigger levels between 65¢ and 77.5¢ per pound, although they can be adjusted by mutual agreement of producing and consuming countries. Export quotas would be distributed among producers largely on the basis of their historical export performance in the postfrost period and also according to their proportion of total world stocks.

This arrangement is meant to encourage producers to market available supplies in the short run and in the longer term to follow more rational stocking policies. The latter point is especially important because a buildup of carryover stocks will moderate future price escalation. The agreement also includes a provision for the suspension of export quotas when the market price has risen 15% above the average for the previous year or an agreed price range. This provision should permit accumulated stocks to enter the market and moderate the price rise. The existence of adequate stocks in producer countries will be

crucial to the success of this mechanism.

The members of the agreement have also begun a study of the feasibility of putting national stocks under some form of international control. This study is provided for by one of the provisions of the agreement. We participated fully in the first meeting of the study group. There are many problems that need to be explored in detail. Still, we welcome a thorough examination of all the possibilities for pursuing the goals of the agreement through international stocking arrangements.

While prices reached extraordinarily high levels during 1977 as a result of catastrophic frost in Brazil and production disturbances in other countries, coffee production is now recovering from the low levels of 1975, 1976, and 1977, especially in Brazil. As a result, prices have begun to decline.

Rubber. International discussions on the stabilization of the world market for natural rubber have been going on since early 1977 under the sponsorship of UNCTAD. Technical work on the operation of the market and possible elements of a workable stabilization agreement are well advanced, and at their next meeting beginning February 27, producing and consuming countries are expected to decide to convene negotiations on an agreement later this year.

Our interest in such an agreement would be to seek to stabilize the price of natural rubber and to encourage the investment we believe will be needed to increase production in the mid-1980's when shortages of natural rubber are forecast. Higher synthetic rubber prices and greater use of radial tires have increased demand for natural rubber, and we have an interest in helping to assure a growing supply of natural rubber at stable prices.

There is still no consensus among producers and consumers, however, about the details of an acceptable rubber agreement. On the basis of the studies done within the executive branch, as well as the international consultations which have been held, we have concluded that it could be feasible to establish an international buffer stock for natural rubber which could stabilize prices within a reasonable range. We are, therefore, prepared to participate actively in the negotiations for a natural rubber agreement and to recommend U.S. participation if a satisfactory agreement is concluded.

Copper. International discussions on the need for stabilization of the world copper market have been going on for more than a year under UNCTAD sponsorship. Copper is one of the

major commodities in international trade, with more than \$5 billion traded in 1976. We are the world's largest producer and consumer of copper. Although we are not heavily dependent on foreign sources of supply, excessive instability in the world copper market does have a serious effect on our producers and consumers of copper.

Prices worldwide are currently depressed as a result of slow economic growth in major consuming countries and continued high levels of production, particularly by developing country producers. The large overhang of supply has pushed prices below average U.S. production costs and has led to a recent upswing in imports. Our net imports of copper amounted to about 20% of our consumption in 1976-77, up from about 12% over the previous several years. This situation is a phase of a typical copper cycle; the copper market has tended to be closely tied to the general business cycle and has long been marked by wide swings in prices.

We are now engaged within the government and in the UNCTAD talks in the analysis of the underlying problems of the copper market and the feasibility of international measures to correct them. The feasibility of an international buffer stock to moderate price fluctuations will depend largely on technical factors—including competition from substitutes and the identification of an acceptable price indicator. We would particularly want to assure ourselves that any international stabilization measures on copper take full account of the interests of our domestic industry and do not encourage uneconomic shifts of consumption from copper to other products.

Earlier this month, the third UNCTAD preparatory meeting on copper agreed to establish a producer-consumer forum to continue this international study of the copper situation. The producer-consumer forum will carry out additional technical analyses of the copper market and study alternative stabilization schemes. It will also serve to improve the quality and flow of information concerning conditions in the market. This latter step alone could contribute to improved functioning of the market. If the producer-consumer forum later determines that additional international action may be feasible, it could recommend the convening of negotiations for an international stabilization agreement.

Sugar. With respect to sugar, the President sent the new International Sugar Agreement to the Senate last month [January 25, 1978] for advice and consent to ratification. We intend to submit implementing legislation to

the Congress shortly. The agreement was concluded last October, after very difficult negotiations, and entered into force provisionally on January 1. It is intended to stabilize the world market price of sugar.

In contrast to the situation in coffee, the sugar agreement must initiate action that will cause the depressed market price to rise up into the agreed range of 11-21¢ per pound. Later, it will function to prevent the sort of extreme price peak experienced in 1974 when prices rose above 60¢. The agreement depends on a system of nationally held, internationally coordinated stocks combined with export controls. A special stock of 2.5 million tons—built up over a 3-year period when prices are low—would be placed on the market when the world price rose above 19¢, thus helping to protect consumers against excessive price increases.

Of particular interest is an innovative scheme for financing sugar stocks. Each time sugar is traded on the free market by a member country of the agreement, a nominal fee will be collected for the stock financing fund. This fee—about 1/3 of a cent per pound—amounts to only 1/100 of the retail price of sugar in the United States. Collection of these fees will build a fund amounting to \$400-500 million over a 5-year period. Interest-free loans from this fund will be made to exporters for the cost of carrying special sugar stocks. The exporters will receive 1.5¢ each year for each pound of sugar held in the special stock. The loans will be repayable when the stocks are released at a time of high sugar prices.

The stock-financing plan demonstrates that financing need not be a problem in international commodity agreements. The sugar plan involves no cost to the U.S. Government and only an insignificant cost to the U.S. consumer. In return it provides strong protection against high sugar prices.

We expect the agreement to bring supply into balance with demand in 1978 and the world price to rise from the 7¢ a pound level which prevailed late last year to the 11¢ minimum. The U.S. import price should thereby rise to a level that would permit both U.S. and foreign producers to earn a reasonable return on their investment. When this level is reached, the President will be able to lift at least part of the 5.5¢ per pound import charges which he recently imposed as part of our domestic price support program.

The International Sugar Agreement is superior to a domestic program in several respects. The agreement can provide the same price stabilization

benefits to producers as a domestic program without significant budgetary expenditures or without the high tariffs that lead to problems in our foreign relations. Further, the agreement can provide protection for consumers against high sugar prices. Domestic programs do not have the ability to limit sugar price increases.

The Common Fund

In addition to the discussions on individual commodities, the UNCTAD Integrated Program for Commodities includes a proposal to set up a common fund to support international commodity agreements. The Administration supports a fund that would facilitate the efficient financing of international buffer stock agreements.

With that objective in mind, the United States and other industrialized countries agreed at last year's economic summit conference in London that there should be a common fund.¹ This conclusion was underscored at the Paris Conference on International Economic Cooperation [May 30-June 2, 1977], at which we approved a final communique affirming that a common fund should be established, with its "purposes, objectives and other constituent elements" to be negotiated in UNCTAD.²

In preparation for these negotiations, the industrialized countries developed a proposal in the Organization for Economic Cooperation and Development for a financially viable common fund that would consolidate the financial activities of participating international commodity agreements by pooling their cash resources and borrowing against callable capital or guarantees pledged to the fund through the individual agreements. The latter would retain basic responsibility for raising the necessary finance for buffer stocking and would also be autonomous in their policy and operational decisions.

There are two ways in which this scheme would lighten the burden of buffer stocking operations for all concerned.

- First, it would realize financial economies as a result of the offsetting price movements of different commodities associated with the fund. These economies derive from the fact under normal circumstances, price cycles do not coincide for all commodities, so that an international commodity agreement in a buying phase and needing cash could—through the fund—borrow from another commodity agreement in a selling phase and accumulating cash.

- Second, by consolidating the borrowing operations of participating agreements, the fund would realize financial savings in borrowing on capital markets.

With regard to measures other than price-stabilizing buffer stocks, the industrialized countries have stressed their importance—particularly commodities facing declining demand—but have argued that such measures can be effectively handled through producer-consumer commodity organizations, existing international financial institutions such as the World Bank, U.N. agencies, and bilateral assistance programs. We do not exclude the possibility that some improvements in current activities in this area may be desirable, nor do we exclude so-called "coordinated" activities of producer-consumer bodies—for a common fund.

The developing countries are seeking a common fund financed primarily by direct capital subscriptions from governments, as distinct from a pooling arrangement based on international commodity agreements. The fund would finance not only commodity stocks but also a wide range of other nonbuffer stocking measures, some of which are of a development type.

The negotiations are currently at impasse. The second session of negotiating conference in Geneva in November was suspended at the request of the developing countries one day before its scheduled conclusion. We expressed regret at the suspension and are currently exploring with other governments and the UNCTAD Secretariat General whether a satisfactory basis can be found for resumption of negotiations later this year. We believe a satisfactory outcome to any future negotiations, however, will depend to a large extent on whether the developing countries are prepared to give serious consideration to the proposal the industrialized countries have on the table.

Based on a statement before the Subcommittee on International Economic Policy and Trade of the House Committee on International Relations on Feb. 21, 1978. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Mr. Katz is Assistant Secretary for Economic and Business Affairs.

¹ For material relating to the economic summit meeting, see BULLETIN of June 6, 1977, p. 581.

² For text of final communique and related material, see BULLETIN of June 20, 1977, p. 645.

THE PRESIDENT: News Conference, January 30 (Excerpts)

The other thing I would like to do very briefly is to outline the history of the Soviet satellite, the Cosmos 954.

This satellite, which had a nuclear power source on it, was launched on the 18th of September, last year. It was obvious to us later on that the Soviets were having trouble controlling the satellite. On the 19th of December, we set up a small task force in the White House. On the 6th of January, we felt that control had been lost, and I decided personally to notify the Soviets on the 12th of January that we were aware of their problems, to offer our help in monitoring the path of the satellite, and to begin preparing jointly to predict where it would fall and also to prepare for handling it if it should contact the Earth.

The Soviets replied that it was designed so that it would be destroyed as it came back into Earth, and it was designed also so there was no possibility of an atomic explosion.

On the 17th and 18th of January, we notified the key congressional leaders, some of our allies around the world who were capable of joining us in a tracking effort. And the Soviets a day later, on the 19th, repeated their commitment it will not explode.

On the 22d of January, we went back to the Soviets to ask them to give us an update to confirm the information we had from monitoring sources. And on the 23d of January, the Soviets notified us that it would probably enter the atmosphere the following day, which is the 24th.

Early on the morning of the 24th, I was notified that the satellite would reenter the atmosphere quite early. We did not know whether it would hit between Hawaii on a very high curve up to the northern part of Canada or the western coast of Africa, because sometimes the satellites can skip from one place to another as they enter the atmosphere. It, as you know, entered the atmosphere in Canada.

I immediately called Prime Minister Pierre Trudeau, informed him about the approximate location, which later turned out to be accurate. And on the 25th, as you know, just recently, the remains of the satellite have been recovered.

The last satellite we put into Earth orbit with an atomic power source was

in 1965. This satellite, at the conclusion of its useful life, was raised into a higher orbit that has a lifespan of at least 4,000 years.

I think we need to have more rigid safety precautions assured among all nations in Earth-orbiting satellites. In fact, we would be glad to forgo the deployment of any such satellite altogether and will pursue that option along with the Soviet Union.

The only time a satellite needs a longlasting power source that's free of the use of solar energy, which can be derived from the Sun, is when you go into deep outer space; for instance, if we send a probe to the outer planets, there would not be adequate source of energy from the Sun to trigger our solar cells. And we might need power from atomic sources then.

But I see no reason for us to continue with the option of nations to have Earth-orbiting satellites unless much more advanced safety precautions can be initiated.

Q. Since I assume the subject will come up when you meet with President Sadat, could you give us a general outline of your view toward our helping Egypt acquire arms?

A. We have been, of course, facing the continuing prospect for a number of years of providing some weapons into the Mideast, heavily to Israel, also to Saudi Arabia, to Iran, and to some degree, the nonattack weapons to Egypt.

All these nations have requests to us for weapons. They've been committed to those nations to some degree by my two predecessors and reconfirmed in some instances by me.

The National Security Council will make a report to me early this week recommending from the State Department, from the Defense Department, from the national security adviser, what weapons to recommend to the Congress. After that point, the Congress will have a 30-day plus a 21-day period to respond affirmatively or not. I will decide later on this week what to recommend to the Congress.

The Egyptians have, in the past, requested F-5E fighter planes, one that is used extensively around the world for export purposes primarily, and Israel and Saudi Arabia have requested other weapons. They have some F-5's.

Q. Do you have a clear idea now from Prime Minister Begin as to whether or not he will authorize new settlements in the West Bank and in the Sinai, and do you believe that Israel, over a period of time, ought to phase out those settlements in return for real peace?

A. I've covered this many times. Our position on settlements in the occupied territory has been that they are illegal, that they are an obstacle to peace. When Prime Minister Begin was over here and when Foreign Minister Dayan was here, this question arose. And my understanding of their commitment was that no new settlements would be authorized by the government, that any increase in settlers would be an expansion of existing settlements as much as possible within the aegis of the military.

The Geneva conference agreement is that civilians should not go in to settle permanently in occupied territories. I think the Israeli Government has not authorized the Shiloh settlement other than as an archeological exploration project. And I've not yet heard from Prime Minister Begin directly, but I have had information that this is a policy of the Israeli Government, that this is not an authorized settlement.

Q. Do you have an overall view of the final borders you would like to see for Israel? Do you expect Israel to return to the 1967 borders in all aspects, especially in east Jerusalem?

A. No. I don't have a map or a plan that ought to be the final border delineation between Israel and her neighbors. I have always operated and made my statements under the framework and within the constraints of U.N. Resolution 242, which calls for Israel to withdraw from occupied territories.

Israel interprets this language differently, of course, from the Arab neighbors. The Arab neighbors say that Israel ought to withdraw from all occupied territories. Israel says that there's some flexibility there and that the thrust of U.N. Resolution 242 is an exchange, in effect, for portions of the occupied territory for guaranteed peace.

The three elements that I've pursued are, one, a delineation of final borders; secondly, a feeling or conviction on the

part of the Israelis that their security was preserved, which would involve both their own military strength, the delineation of the borders, and the attitude now and in the future of their neighbors.

The second question, of course, is the definition of real peace. What does peace mean? Does it simply mean a cessation of hostility or belligerency, or does it mean open borders, trade, tourism, diplomatic exchange, the location of ambassadors, and so forth?

I've taken the more definitive definition as my own preference. And the other thing, of course, is to deal in all its aspects with the Palestinian question.

But I have never tried to put forward in my own mind or to any of the Mideastern leaders a map in saying this is where the lines should be drawn.

Q. Regarding your concern about satellites and the safety precautions, in taking this up with the Russians, will you try to dissuade them from their practice of putting nuclear reactors into space in the future?

A. Yes, certainly in Earth orbit. I think that this is something that we should explore. There are two factors though. One is to try to evolve a sure-fire safety requirement that would prevent a recurrence of any atomic active material reaching the Earth or the atmosphere where human beings might breathe it. If we cannot evolve those fail-safe methods, then I think there ought to be a total prohibition against Earth-orbiting satellites.

I would favor at this moment an agreement with the Soviets to prohibit Earth-orbiting satellites with atomic radiation material in them.

Q. Do you have any idea what the deal is on that satellite up there? We get all these reports. One day it's not radioactive; the next day it is. Do you have any late information about just what the status of that thing is? Or whether there is any danger?

A. No, I know nothing at this point that hasn't already been put into the press. One, I do know that they've located a crater, about a 9-foot dimension, that it is radioactive and that a search group from one of our own helicopters working with the Canadians is at the site. But the configuration of the

remains of the satellite or whether or not they are now retrieving it from the riverbed where it's located, I do not know.

Q. Last August in your immigration message, you said you were not considering reintroduction of a bracero-type program for the temporary importation of farm workers.¹

Last week, Secretary [of Agriculture] Bergland down in Mexico City had an airport press conference at which he apparently gave some Mexican newspapers the idea that we were considering such a program and were considering importing 3 million *braceros*, and they've been writing a lot of stories about it. He has tried to deny it. Could you state your position on it?

A. We have no plans whatsoever to

reinitiate a *bracero* program. Our proposal to deal with the undocumented workers or illegal alien question has already been submitted to the public, and that encompasses what we proposed. It does not comprise a *bracero*-type program.

Q. There are reports that the Soviets have or soon will have the capability to disrupt our sending military orders by satellites. Can you tell us whether they are accurate or not?

A. My information is that that report is not accurate.

For full text, see Weekly Compilation of Presidential Documents of Feb. 6, 1978, p. 243.

¹ For text of President Carter's message to Congress of Aug. 4, 1977, see BULLETIN Sept. 5, p. 316.

Foreign Intelligence Activities

On January 24, 1978, President Carter issued Executive Order 12036 concerning the organization and control of U.S. foreign intelligence activities. The most important features of this Executive order are:

1. The National Security Council and its two standing committees—the Special Coordination Committee (SCC) and the Policy Review Committee (PRC)—will, short of the President, provide the highest level review of and guidance for the policies and practices of the intelligence community.

2. The authorities and responsibilities of all departments, agencies, and senior officials engaged in foreign intelligence and counterintelligence activities are being made public. Those implementing directives which must remain classified for security reasons will be made available to the appropriate congressional oversight committees.

3. Our intelligence agencies have a critical role to play in collecting and analyzing information important to our national security interests and, on occasion, acting in direct support of

major foreign policy objectives. It is equally important, however, that the methods employed by these agencies meet constitutional standards protecting the privacy and civil liberties of U.S. persons and are in full compliance with the law. To accomplish this objective, a major section of the Executive order devoted entirely to setting forth detailed restrictions on intelligence collection, covert activities in support of foreign policy objectives, experimentation, contracting, assistance to law enforcement authorities, personnel assigned to other agencies, indirect participation in prohibited activities, dissemination and storage of information, and a prohibition on assassinations.

4. As an added protection against abuses and to help insure effective performance, the intelligence oversight process is strengthened.

The full text of Executive Order 12036, as well as President Carter's statement on this subject issued by the White House on Jan. 24, 1978, printed in the Weekly Compilation of Presidential Documents of Jan. 30.

THE VICE PRESIDENT: Visit to Canada and Mexico

Vice President Mondale visited Canada (January 17-18) and Mexico (January 21-22) to consult with Prime Minister Pierre-Elliott Trudeau and President Jose Lopez Portillo and other officials of their governments. Following are the texts of the addresses he made during those trips.

CANADA

Throughout my public life, I've tried to emphasize the vital importance of the closest possible consultation between the United States and Canada. And I've been proud to be a member of a new Administration in Washington which has joined with your leaders to renew our friendship to a level of balance unparalleled in our common history.

Almost a year ago today, President Carter stood before the American people for the first time as their highest official. He called for a "new spirit" in the relationship between nations, based not on power politics but on a deep respect and deference for the sovereignty and independence of every nation on Earth.

The clearest example of that policy is the U.S. longstanding friendship with its neighbors to the north and south. The first two heads of government invited to Washington—only a month after President Carter took office—were Prime Minister Trudeau and President Lopez Portillo of Mexico. These meetings were not the mere formalities of statecraft; they were an unmistakable symbol of a new spirit in the friendship between our nations. They brought forth a new commitment to work together as equal partners to solve the problems which challenge a shared future on this continent.

In 12 short months we have accomplished more together than we imagined possible. Old irritants and petty frictions have been replaced by the spirit of compromise and accommodation. President Carter and Prime Minister Trudeau have established a continuing dialogue. Half a dozen American Cabinet members have traveled to Canada—and an even greater number of your Ministers have come to the States—to pursue the task of managing our neighborhood together.

They have already made good progress: in safeguarding the environment along our borders and revising the toll structure of the St. Lawrence Seaway, in developing the concept of joint management of some of our fishing stocks

and determining our four seaward boundaries to maintain fishing patterns without disrupting operations on either side, and, in record time, we are making the first steps in a great new joint enterprise—the overland gas pipeline.

At every level of our societies—in business and government, commerce and culture—Americans and Canadians are talking and learning and working together with a new feeling of confidence. And now, I have come to Canada at the start of our second year to leave no doubt that the course which we have begun so successfully, we shall follow in the years ahead.

We share a common history which is also a blueprint for the future. It is the history of an experiment in freedom on this continent and of a mutual commitment to respect diversity and difference. Ours are among the few nations on Earth which are nations not because of a common culture but because of a common commitment to a single ideal—the supremacy of the human spirit.

More than anything else, that fundamental commitment is the source of our closeness as peoples. It is the foundation for a level of interchange unique in history. We share by far the largest tide of trade between any two nations on Earth. We share what External Affairs Minister Don Jamieson has called "a network of contacts and communications which exceeds that of any (other countries)." We share an intimate daily association at every level of society.

Canadians cross our common border 35 million times a year, and equivalent numbers of Americans make the journey north. They come to do business, to visit friends and families, to see the matchless beauty of the northern countryside, and to taste a foreign culture as different and exciting as it is friendly.

- Together we built one of the world's great transportation systems—the St. Lawrence Seaway.

- We have pioneered international efforts to preserve the environment, by conceiving and maintaining one of the world's oldest bilateral tribunals—the International Joint Commission.

- We stand together not only in the defense of the continent that is our home but with 13 other nations in the defense of Europe—the home of many of our ancestors.

- We have brought a new level of industrial growth and stability to both nations through the auto pact of 1965.

- And as Prime Minister Trudeau told our Congress last year in his excellent message, we have worked together to create original techniques of environmental management; of emergency and disaster assistance; of air and sea traffic control; and of transporting people, goods, and services.

These programs are symbolic of the vital truth. Our common progress depends upon the preservation of our separate identities as nations. In shared interests and interdependence there is strength and promise. Dependence is only stagnation. We will never permit the abrogation of sovereignty on either side of the border.

We have learned the art of being good neighbors. First, this means advance consultation and accommodation. Second, it means speaking our minds forthrightly. Third, it means responding to the views of our citizens as befits representative democracies, and we each want to be heard in the world in our own voice.

And as nations built on federal principles, our progress depends upon the harmony and unity of our countrymen. Working together means participation by all our peoples and regions within our respective federal frameworks. In this way different interests can be reconciled while we shape our separate national destinies.

Economic Challenges

It is our destiny to face common challenges.

We face an energy crisis which has brought to Canada the first oil trade deficit in almost a decade and which is bleeding the United States of \$45 billion a year for foreign oil. We both need to keep that money at home, to build schools and housing and transportation facilities. And here, as in so many other areas, my nation can profit by Canada's example.

When my countrymen saw the energy crisis on charts and blackboards, your leaders were taking

action. You've already inaugurated a home insulation program, a forward-looking internal price policy on oil and gas, and a comprehensive strategy for conserving existing resources and developing new ones.

In the United States, President Carter has taken action, too. He is pledged to reduce American reliance on all external sources of energy. But still the shape of our program awaits the outcome of legislative bargaining—and still we grow more dependent on foreign sources half a world away.

I am sure we will succeed in getting an effective and fair energy bill from Congress, one that will enable us to play our part in the global effort to meet the energy challenge.

There's an old saying that a good neighbor doubles the value of a house, and the same is true of our countries as we face the energy problem.

- We can both profit from reciprocal electricity arrangements, from oil swaps to compensate for regional dislocations.

- Our gas pipeline agreement is striking evidence of the power and potential of such cooperation. It promises to save both countries billions of dollars in comparison with independent alternatives. And the same friendship and good faith which produced that agreement will govern its execution—assuring each nation a fair and just return in jobs and industrial orders on its part of the pipeline.

- We both need oil storage facilities to guard against emergencies, and there may be advantages in building them together. Prime Minister Trudeau and I discussed that option yesterday, and we've agreed to undertake an expeditious joint study of common facilities in Newfoundland and Nova Scotia.

- Our nations can also profit from joint arrangements concerning the production and distribution of existing resources. In the next few years Alberta may enjoy supplies of natural gas which are surplus to provincial and Canadian needs.

Both nations can profit from cooperation in the production and consumption of existing resources. Prime Minister Trudeau and I agreed yesterday that we should encourage new gas contracts, with a swap-back option, with a view toward facilitating the early building of the lower sections of the gas pipeline. Over the short-term—and this could only be determined by the appropriate regulatory bodies—Alberta may enjoy further supplies of natural gas which are surplus to provincial and Canadian needs.

The United States could use that gas, if it were available, to give time for our measures to cut gas consumption and to increase gas production to take effect. We have a common interest in seeing that the pipeline is financed and built on schedule, and the swap-back provision would protect the Canadian energy position as needed. This afternoon I hope to discuss this question with Premier Lougheed [Peter Lougheed, Premier of Alberta].

We can also join forces in a general effort to insure the growth and prosperity of our economies. Full employment here would create thousands of new jobs in the United States, and full employment in the States would create thousands of new jobs here. Because our prosperity is so linked, Prime Minister Trudeau and I have agreed that our senior economic officials will meet in March to begin a process of intensified consultations on economic problems facing both countries.

We can work together for growth and progress. We sell each other \$55 billion worth of goods and services every year. Thus, consumers in both countries will benefit from lower prices. We understand that far more than internal domestic progress, it is international trade which has fueled the world's economy in the last 30 years. We understand that tariff barriers can only foster more deficits and more inflation and more unemployment. And we are pledged to resist, with all our powers, retrenchment to protectionism.

That is the spirit which our nations must take to the latest round of multilateral trade negotiations in Geneva. Canada and the United States are leaders in both the nontariff and tariff-cutting sessions, and we should stand together in pursuit of freer trade throughout the world. We can set the standard for that effort with serious bilateral discussions about our own trading relationship.

When offers are placed on the table in Geneva this week, the United States will propose substantial cuts on products of interest to Canada. We hope that Canada and other countries will reciprocate by offering formula cuts, so we can maintain our proposal during the course of negotiations and reduce tariffs on the dutiable items which cross our border every day.

We can do that in the context of multilateral discussions in which we both have vital interests; for example, efforts to develop an international products standards code and an equitable and universal system for responding to the unfair practices of export subsidy and favoritism in government procurement. We stand together on those

issues—in opposition to any policy which gives any business or nation an unfair trading advantage.

The United States also stands with Canada—not only at Geneva but also the International Wheat Council in London—in support of greater access to world grain markets. This Province has a special interest in those efforts. As the world's foremost grain exporters, our two countries are working in London to achieve trade liberalization, price stability, and food security. That will bring more certainty and growth to our markets while better assuring reliable grain supplies to importers—especially the developing countries which need that grain the most.

Even as we work to liberalize prevailing trading practices in industry and agriculture, we must continue to develop other means for insuring the international economic strength of our trading partners. In all of these endeavors, the key to our success is not only the hard work of our leaders or the rightness of their positions; it is just as much the spirit of friendship and common purpose which motivates our effort. Every time we reach agreement, every time we effect a solution, we are proclaiming the strength and success of industrial democracy. And we are raising the foundations of a stable and secure world order—a system of intelligent interaction between nations which is the best hope we have for a truly lasting peace.

In economic cooperation among nations, and in our life together on this continent, we are friends and partners. We look to the problems we face as our common agenda for the months and years ahead. We've made good progress in preserving the beauty of our environment. Now we must complete the Great Lakes cleanup and match our concern for rivers and lakes with programs that deal with air pollution across our common border.

Both countries want to resolve differences in the administration of the auto pact, even as both recognize it for overall success. Our trade in autos and parts rose from \$1 billion in 1965 to \$17 billion in 1976.

And because we value greatly our vigorous two-way trade in agricultural products, it is important that we address promptly and directly problems which may arise in this trade, such as we have seen in beef and cattle.

The Prime Minister and I have therefore, agreed that Secretary of Agriculture Bob Bergland should meet very soon with his Canadian colleagues to consult on the steps required for mutually satisfactory answers.

These are all important problems

they demand our careful attention, and they will receive it. But if these problems constitute the most pressing difficulties between us, then we are doing very well indeed.

Human Rights

Our cooperation makes us better able to serve the cause of human rights and progress throughout the world. The hemispheres we are blessed with compel us to raise our voices against tyranny and oppression wherever we see them. We are blessed also with matchless human and material resources; that permits and demands of us that we join the struggle against poverty and helplessness wherever they exist.

We are joined in a new dedication to helping our southern neighbors improve the quality of their lives. Canadian efforts to assist in Caribbean development have been a model of humanitarian commitment for every nation. They are matched by broader Canadian participation in multilateral efforts—not only in the Caribbean but throughout Latin America—to provide technical and material assistance which can advance hope and progress. Our country's recent participation in the consultative group for the Caribbean was an important contribution to that inter-American effort, and it signifies a new era of productive participation in Latin America.

We have also worked together to defend freedom and pursue peace throughout the world. We have cooperated in efforts to diminish tensions between nations and to reduce transfers of arms which may deepen tension and conflict. We have worked for independence and free elections in Namibia and to promote peaceful change throughout southern Africa. We have worked to keep alive the North-South dialogue begun in Paris—so ably chaired for the North by Deputy Prime Minister Allan MacEachen—and the effort to bridge the gap between rich nations and poor.

In all of these endeavors, we are guided by a common and overriding commitment to the human rights and human dignity of the people of every nation. We have come to view our relationship with other countries—in trade and arms negotiations and in international forums—not only in our own self-interest but also in response to the concern of those countries for the needs and rights of their own people.

For both countries, that posture is the natural legacy of common tradition in pursuit of human rights that is literally unparalleled in human history. And for the American people, that leg-

acy is the root of our close bonds to Canadians.

President Carter pointed out the striking results of a recent Gallup poll which asked Americans to list the nations for which they had the greatest affection and respect. As might be expected, 95% named their own country first. But 91% named Canada next, and that overwhelming sentiment is the product of more than geographic proximity or economic interdependence.

The American people see in Canada one of the great successes in constitutional democracy. They have seen a nation which, for 30 years, has refused to use its wealth and technology for building nuclear weapons but instead has participated in every U.N. peacekeeping operation since World War II. They have seen your nation devote a great percentage of its gross national product to aiding Third World countries. And they have seen your borders opened to the homeless and the dissident from every corner of the globe, most recently to refugees from the tragic war in Vietnam.

The American people have been touched by the willingness of your country to export precious natural gas during our severest winter shortages. Thousands have been deeply touched by your Bicentennial gift to our nation—the pictorial representation of our peoples and our common land, "Between Friends/Entre Amis." And we have felt the closest bonds of friendship in watching a proud and free nation striving to maintain its pledge to honor cultural and individual diversity—in the face of disagreements which diversity necessarily entails.

Prime Minister Trudeau has said that Canada stands today on the threshold of greatness. By the measure of what the American people have felt and seen in their neighbor, that is a modest appraisal. By the measures of wisdom and humanity and love of freedom, there is no greater nation on Earth. We are proud to be your friend and partner.

MEXICO ²

For the United States and Mexico, the principle of mutual respect is the basis of our relations. We have learned that power and wealth do not confer a monopoly on wisdom. And we have learned that our common hopes and plans as neighbors are far stronger than our differences.

Our countries share a peaceful border of nearly 2,000 miles. Trade across that border is of enormous economic importance to both countries. There is a daily stream of tourists and travelers

both ways. Students and researchers share the resources of our great universities. We share common roots as the children of revolution and because 16 million Spanish-speaking citizens live in the United States. Most of all, we share a common commitment to the individual freedom and dignity of all our citizens.

For the first time in a quarter of a century, the peoples of Mexico and the United States have elected new Presidents at the same moment in their history. That event is symbolic of a fresh start in our relationship.

The meeting between our two Presidents [February 1977] signaled far more than the courtesies of acquaintance. It reflected just as much the high priority which President Carter attaches to America's relationship with its southern neighbor and his deep respect and admiration for the extraordinary public servant whom the people of Mexico have chosen as their leader.

I was privileged a year ago to introduce President Lopez Portillo to address the Congress of the United States. He said then that his mission to my country was to "seek understanding, balance, and respect" in the relationship between the United States and Mexico. This has been the basis for a year of unparalleled accomplishment between our two countries—a year in which equal partnership became the guiding spirit of our future growth and progress.

We pursue such a course because it is right. But we also believe, with equal conviction, that the best hope we have for progress and peace is not the domination of one country by another but rather sovereign nations pursuing common goals.

Tangible Accomplishments

My journey to Mexico City seems very short in comparison with the distance we have traveled together in only 12 months.

When President Lopez Portillo returned from Washington after his visit last year, he took with him the respect and affection of an American President. The closeness which has quickly grown between our President's family and yours is a symbol of the deeper, more balanced and mature relationship that has developed between Mexico and the United States.

This new spirit by itself would have been an important achievement. But we have put it to work. We have taken a number of concrete bilateral steps to improve our relations further.

• President Carter and President

Lopez Portillo at their meeting a year ago set up a consultative mechanism to consider our common problems in trade, investment, energy and minerals, tourism, and social problems. It is a vital functioning instrument.

- In 1977 we signed a tropical products agreement, an important precedent for the world trading system. It combines for the first time in practice the twin objectives of trade reciprocity with the need for special consideration for developing countries. By this agreement, we will cut tariffs on items of special interest to Mexico—like fruits, fiber, and vegetables—which represent \$63 million in Mexican exports to the United States and \$36 million in your imports from the United States. That action signals our mutual dedication to freer trade throughout the world. It will serve as a model for both industrialized and developing countries as we pursue the multilateral trade negotiations in Geneva.

- In 1977 we also ratified and implemented an exchange of sanctions treaty—a unique humanitarian agreement for permitting Americans imprisoned in Mexico and Mexicans imprisoned in the United States to serve the remainder of their sentences in their own countries. The first transfer during Christmas was a poignant moment which both our people will long remember. Like our trade agreements, it has served as a model for agreements with other nations.

- In 1977 we concluded a civil aviation agreement to enable the airlines of both countries to expand their services and thereby increase and enhance the interchange between our peoples. It represents the greatest expansion of air services ever undertaken by two nations. The agreement is symbolic of the larger effort to expand the interaction and deepen the friendship between us. I was proud to sign it today on behalf of the United States.

- Tourism helps bring our nations together. And we appreciate its economic importance to Mexico. We are raising the ceiling of duty-free entry of goods that an American may bring from other nations to the United States from \$100 to \$250 per month. Additionally, President Carter's tax reform proposals will contain provisions that should ease Mexican concerns over our foreign convention tax regulations.

- In 1977 we enacted a new fisheries agreement, creating clear rules for managing our fishing resources.

- And in 1977, we increased and improved our cooperative efforts to attack the illicit flow of narcotics across our border. We share a great interest in

the swift and complete eradication of this poison. The American people are grateful for the massive commitment of human and material resources to that effort by the Mexican Government. Our senior officials continue to discuss new programs to use new and promising technologies for eliminating this source of so much misery.

In only one year, together we have built a remarkable record of accomplishment. My purpose in coming to Mexico, as we enter the second year of our two Administrations, is to emphasize the importance of our continuing together the course which we have taken so productively.

Future Agenda

We still have before us a full agenda—one which will challenge our wisdom, talents, and determination. We must each find ways to create more jobs. Smuggling of narcotics and other goods must be stopped. Obstacles to mutually beneficial trade and investment must be reduced. Improved cooperation is the only path to achieve these goals.

Not only cooperation but candor and understanding must be brought to all our tasks. In this spirit, I want to discuss the problem of undocumented workers—people who enter the United States to seek employment without visas or proper documentation.

Undocumented Workers. Every government has a responsibility to its citizens to regulate the entrance of people as well as goods. That is what we are trying to do. The citizens of my country want our laws on entry enforced; this is the responsibility of any American Government. But we want to do this without creating problems for Mexico.

We recognize the many dimensions of the problem, and we are prepared to work with you to address them. For our part, the President has proposed a comprehensive program regarding undocumented workers presently living in the United States and the flow of new workers.

The program begins by recognizing that the human rights of the undocumented workers already in the United States must be protected. Therefore, the proposal would grant legal status to all who arrived before January 1, 1977—permitting them to work and live without fear of arrest. Those who have been in the United States since before 1970 will be able to apply for permanent resident status and eventual citizenship. Those who arrived between 1970 and January 1, 1977, will be enti-

tled to a 5-year temporary resident status. There will be no massive deportations or roundups.

In addition, the Carter Administration is supporting legislation which would increase the immigration quota between Mexico and Canada to 50,000 per year. Since Canada has so few migrants to the United States, the effect of this legislation would be a substantial increase in Mexico's annual legal immigration to the United States.

The proposal also recognizes that employers in our country who employ undocumented workers are a source of the problem. The President's program imposes civil sanctions against such employers and also increases the number of personnel who patrol the border.

At the same time, we understand the reasons for the flow of undocumented workers to the United States. We are willing to help Mexico as it desires, obtaining support for its efforts to develop its economy. The story of Mexico's postwar economic progress is very impressive. In the three decades since Franklin Roosevelt visited Mexico, you've made great strides in producing goods and services and raising per capita income. That progress took place within a democratic framework, creating a model for developing nations in every corner of the globe.

On behalf of President Carter, I have informed President Lopez Portillo that the United States is ready and eager to do all it can, including support for expanded efforts by the World Bank and the Inter-American Development Bank to increase rural development efforts in Mexico. These institutions have assured us that they are prepared to expand significantly their efforts in cooperation with Mexico's commitment to tackle these problems as a matter of the highest priority.

The challenges of economic development, social justice, and human rights that we face in our two countries also confront the other nations of the hemisphere and the international community. The United States and Mexico must work together and with others to meet these challenges.

North American Community. The opportunity to visit America's closest neighbors this week has shown me vividly how much we have in common and how much our countries are becoming increasingly interdependent. We occupy a continent rich in natural and human resources. We share Atlantic and Pacific interests, as well as interests in the Caribbean. We share a common belief in human rights and political democracy.

While this interdependence offers great benefits, it also imposes great responsibilities. The economies and the societies of Mexico, Canada, and the United States have become so intertwined that developments in one part of the continent have direct and immediate repercussions in others. This fact of life compels us to carefully assess the consequences of our actions and to search continually for new forms of cooperation. We can do that by continuing closely with each other.

Global Problems. We must not get that our common problems have no respect for national or even continental boundaries. They confront us globally as members of the world community. As the citizens of representative democracies, our nations have a special responsibility to the life and well-being of this planet. We can fulfill that responsibility by the power of our example here at home and by the wisdom and determination of our mutual efforts in the world of nations.

After the Cuban missile crisis in 1962, Mexico took the initiative in negotiating a treaty at Tlatelolco to ban nuclear weapons from Latin America. On May 26, in the presence of your Foreign Minister Santiago Roel, President Carter signed Protocol I of that treaty, pledging the United States not to deploy nuclear weapons in Latin America. We hope to work closely with you next year to insure the speedy implementation of the treaty of Tlatelolco and to make Latin America the first nuclear weapons-free zone in the world.

We are also strongly committed to halting the proliferation of nuclear weapons capabilities and to restraining the international sale of conventional arms. The U.N. Special Session on Armament will offer us an opportunity to pursue that objective together.

We support the dialogue between the industrialized and the developing countries and the effort to make the international economic system more equitable and just. We welcome the leadership of Mexico as we work toward specific measures which build upon the responsibility we all share for the effective management of the world economy.

Last December, our two countries joined with 28 others and 15 international institutions in a multilateral effort to help develop the nations of the Caribbean and to increase cooperation between the island nations of the Caribbean and their neighbors. This is another area in which we are eager to work with you.

Our Presidents have committed Mexico and the United States to pursue the cause of human rights wherever we

encounter tyranny and oppression. For too many people, the promise of human destiny is dwarfed by the reality of subjugation. Our nations have worked together to proclaim their unyielding opposition to any governmental policy which would suppress or enslave the human spirit. The important resolutions passed by the General Assembly of the Organization of American States and the strengthening of the Inter-American Commission on Human Rights bear concrete testimony to that cooperation. We must continue to work together to insure that 1978 will be not only the year that Tlatelolco is implemented but also the year when the American Convention on Human Rights becomes a working reality.

We must also continue to define our relationship with other countries—in trade, in arms negotiations, and in the world community in general—not only in terms of self-interest but in response

to the concern of those countries for the needs and rights of their own people.

We have taken great strides in the past year. We have coupled new respect for our individual sovereignty with concrete progress in solving mutual problems. In the process, we have strengthened the fabric of a working, cooperative partnership. We welcome that partnership, the responsibilities it imposes, and the benefits it offers for our separate destinies as nations and for our common future as friends and neighbors. Together, we will make that future more prosperous and more hopeful for the peoples of both our lands. □

¹ Address at a luncheon at the Edmonton Plaza Hotel in Edmonton, Alberta, on Jan. 18, 1978 (opening paragraphs omitted).

² Address at a luncheon at the Hotel Presidente Chapultepec in Mexico City on Jan. 20, 1978 (opening paragraphs omitted).

THE SECRETARY:

News Conference, February 10

Q. Prime Minister Begin said in Geneva the other day that the United States' supplying arms to Egypt would be a negative development. Would you agree with that?

A. I think that the question of arms sales in the area is a very complicated one. As you know from the outset, we have applied certain criteria with respect to the approval of arms sales. Those criteria I have outlined to you many times, and we will continue to apply those criteria in connection with the requests for arms sales which have been made to us at this time by the various parties. We have not yet reached a final decision on what we are going to do. We will be doing so shortly, and this will be announced by the President when those decisions are made.

Insofar as the specific question you asked is concerned, I think that if the criteria which we have been applying all along are applied, then it is possible to make arms sales which are not disruptive.

Q. As President Sadat left, the United States put out a statement reaffirming its commitment to Israel's security, also reading [U.N. Resolution] 242 as requiring withdrawal of Israeli military forces from what some people refer to as occupied Arab lands. I wondered if such a withdrawal does, indeed, tamper with or decrease Israel's se-

curity, and I also wonder if arms sales to Egypt would square with the American commitment to Israel's security?

A. With respect to the question of withdrawals from occupied territories, 242 is the basic document under which all of the parties have agreed that the negotiations for a Middle East settlement should be conducted. [Resolution] 242 refers to, specifically, withdrawal from occupied territories, and "occupied territories" includes all fronts involved in the 1967 conflict.

Insofar as security matters are concerned, I believe that they can be taken care of within the framework of 242 and within the framework of withdrawal from occupied territories.

As to your second question, as I indicated a moment ago, I believe that arms sales to the various parties have to be taken a look at in the overall balance in the region and that, therefore, the decision whether or not to make a particular arms sale, including that to Egypt, has to be looked at from the overall standpoint.

Q. Are there any conditions under which the United States would consider supplying arms to Somalia—for example, if there were to be a major counteroffensive not solely against the Ogaden but against Somalia itself?

A. Let me respond by giving you a

broad answer to your question.

We are concerned with the increasing conflict in the Ogaden. It continues to accelerate in pace and in the number of arms which are moving into the area. We believe that there should be a negotiated settlement of this problem; we believe that there should be a cease-fire; we believe that there should be a withdrawal of the Somali forces from the Ogaden; and in return, we believe that there should be a withdrawal of Soviet and Cuban forces from Ethiopia. We believe it is fundamental that there be a recognition and a respect by all parties for the internationally recognized borders, and we also believe that there should be agreement in principle and negotiations looking to the solution in the future of the problem of the Ogaden.

We will continue our present course

of action with respect to not supplying arms to either side. Let me say, if there were a crossing of borders, that would present a new and different situation, and we would have to consider it at that time.

Q. There is a wire report today that the Western allies have agreed that if there is a crossing of the border, that there will be Western arms supplied, including American arms, to Somalia. Is there any such agreement?

A. What I would say on that is—and I think that is what was said in the article as I glanced at it before I came down here—that this would present a different situation, and it would have to be considered under the circumstances that existed at that time.

Q. The Administration has said frequently that it is committed to the

territorial integrity of Lebanon and supports the building of the Lebanese army. What is the present American role right now in the Lebanese conflict between the Syrian troops and the Lebanese troops?

A. The American role in Lebanon is that we continue to support the Government of Lebanon. We support its territorial integrity. We support its independence. We are continuing to assist in the supplying of arms for the building of a Lebanese army. That program continues as it was outlined and discussed with the Lebanese authorities at that time, and the plans are to continue along those same guidelines.

Q. The Syrians entered Lebanon. The United States accepted the Syrians as a peacekeeping force in Lebanon, and right now they have violated that truce.

TELEVISION INTERVIEW

Secretary Vance added the following comments on the Middle East when he was interviewed on television by news correspondents Robert MacNeil and James Lehrer of PBS on February 14, 1978.

Q. The Carter Administration today appeared to bow a little to the personal diplomacy of President Sadat and agreed to sell Egypt some of the jet fighters he wants, but the United States refused to supply Sadat with the most advanced fighters that it sells to Israel.

In his recent visit to Washington, the Egyptian leader argued strongly that sophisticated U.S. arms supplies made Israel inflexible in the current peace negotiations. Egypt needed the same weapons to create a better balance. Specifically, Sadat asked for F-5's, a fighter supplied to some 25 foreign countries but not used by the U.S. Air Force.

The State Department said today that we would sell Egypt the F-5's but not the more advanced planes Sadat also wanted, the F-15 and F-16, both of which we agreed to supply to Israel.

However, the aircraft decision marks a significant change of American policy to Egypt just when relations with Israel have soured somewhat. Why was the decision made to sell planes to Egypt?

A. We had outstanding for a long while requests for sales of aircraft from Israel, Egypt, and from Saudi Arabia. Some of these went back as far as a year or two in the past.

We determined that we should deal with these issues, make a decision, and move forward in this particular area. In doing so we took a look at three basic factors.

- First, would these be conducive to the continuation of and progress in the peace negotiations?

- Secondly, would they be consistent with the security requirements of the various countries?

- Thirdly, would they be consistent with the basic military balance within the Middle East or would they change that balance?

After a very careful examination of all these factors we came up with a package today which was approved by the President which we think meets all of these various requirements. Indeed, we believe that rather than hindering the negotiations, the decisions which have been made today will foster and be supportive of them.

Q. Was Israel informed of the Egypt decision before it was announced publicly?

A. Yes, it was.

Q. At a high level of communication?

A. We informed each of the governments last night.

Q. What was the reaction from Israel to the Egypt decision?

A. As one might expect, the Israelis were unhappy about that decision. They have, as far as I know, made no public statement on that, but they have made no bones in advance—when there was rumor that this decision might be forthcoming—that they did not like it.

Q. I notice that an Israeli official testified this morning in Congress after the

decision was known and said that: "The sale to Egypt would be a radical and a very significant destabilizing factor to the Middle East military situation."

A. I completely disagree with that conclusion. I don't think it is a radically destabilizing element.

One has to take a look at the situation from the standpoint of the Egyptians. The Egyptians made a decision 2 years or more ago which they decided that they were going to take a certain course of action with respect to the Middle East and negotiations in the Middle East and as a result of that they lost their principal arms supplier, which was the Soviet Union. Since then they have had to rely on the West for their requirements.

Q. In these preliminary communications, as you say, Israel was told beforehand that these planes were going to be sold to Egypt. Were you told—was the United States told then that, hey, look, don't like it and there are going to be public statements made? In other words, they going to make a big deal about this?

A. We were told that they were unhappy about this and would not like it and we were told by the Egyptians that they were very happy that they wouldn't be getting everything that they were asking for. So, I think there is a little bit of unhappiness on each side, but we think the decisions are sound decisions.

Q. Why is Egypt not getting the advanced fighters that are going to Saudi Arabia and Israel? What is the logic that difference?

A. We believe that they do not require these for their defense requirements. We

A. The situation in Lebanon is, indeed, a very difficult and troublesome one at this point. Fighting has broken out again in the north as well as sporadic fighting in the south. It is a matter which we are watching with the greatest of care and caution. We are in close touch with the parties involved and are continuing to provide the kind of services that we have in the past—working with the various parties trying to help in damping down the conflict.

Q. Could you tell us, please, how many Cuban and Soviet military advisers are now in Ethiopia, the extent of their involvement actually in combat, and what effect would this deepening Soviet and Cuban involvement have upon the development of America's relationship with both of those countries?

A. You've asked me three questions.

Let me go one-by-one on the various questions.

I guess your first question was, how many Cuban and Soviet military personnel or advisers are there in Ethiopia? The best estimates which we have at the present time are that there are approximately 800-1,000 Soviet military adviser-types in the area. There are approximately 3,000 Cubans, of which approximately 2,000 are actually involved in combat at this time, and we believe that there are further Cubans on their way to Ethiopia.

Q. How deep are they involved in combat, what kind of combat roles are they performing?

A. It is our best information that the Cubans have been flying aircraft and, indeed, have been involved in other ground activities as well as the flying of planes.

Q. What effect does all of this have—the apparently deeper Soviet and Cuban involvement have—on the relationship the United States seeks with both of these countries?

A. This, obviously, cannot help but have an effect upon the relationship between our countries. It affects the political atmosphere between the United States and those two countries. It is a matter which we will, obviously, keep in mind as we proceed with the talks on the Indian Ocean, because what seems to be happening there is inconsistent with a limitation of forces in the area, which is what we are seeking insofar as the Indian Ocean talks are concerned. We will continue with those talks, but obviously it affects the political atmosphere in which those talks are carried forward.

Q. When the United States express-

ive that the F-5's will meet their defense requirements and will not upset the military balance in the area.

Q. Could you describe that military balance in a little more detail? I mean how will it not upset the balance to have Egypt with a rather obsolete air force and supplied with a plane that President Sadat himself described as a tenth-rate plane, the F-5E, when he was here in an interview? Why would it not upset the balance to have its neighbors with much more sophisticated planes?

A. Well, insofar as Egypt is concerned, it will have a number of the more advanced light aircraft. It has been short of spare parts, but it is making some steps now to develop its own capability, providing substitute spare parts for those which it does not have.

In addition to that, the F-5 is really a very good aircraft. It is really not a tenth-rate aircraft. It is one of the best short-range light fighters that exists, and I think that it will fill and provide what is needed for the Egyptian defense capability.

Q. If it is such a good aircraft, why doesn't our Air Force use it?

A. Our Air Force has different requirements. There are many, many other nations around the world who do use it and think very, very highly of it.

Q. Why are we giving the Saudis 60 F-15's which is regarded, I think, as the most advanced fighter in the world?

A. About 3 years ago a study was made of Saudi defense requirements, including their air requirements, and it was concluded at that time that because of the fact that their

Lightning aircraft which they had gotten from Great Britain were becoming outmoded, that they would require an advanced interceptor in the future.

Subsequently, they came to the United States and examined the various possibilities. In addition to that a team was sent, I think in 1976, to Saudi Arabia to take a look at the situation there and then they were offered their choice among the various interceptor-type fighter aircraft. They at that time indicated they wanted the F-15's, and since then they have stuck to that conclusion.

Sixty aircraft is not a great number of aircraft for that country and the threat which it potentially faces. It is a large country in terms of area. It has very important resources within its country. It has a small army. And yet it faces from certain of its radical neighbors a potential threat.

Q. As I said at the beginning of the program, Mr. Sadat made the argument when he was here both in Congress and reportedly also in his talks with you and the President that because Israel got such sophisticated weapons it helped Israel to be inflexible in these negotiations, and he needed to balance that out with some more sophisticated arms. Do you buy that argument?

A. No, I really do not buy that argument because I believe that providing it with the arms which are necessary to give it the capability to protect its own security gives it self-confidence rather than giving it an over-confidence which prohibits progress in negotiation.

Q. Should we regard this decision to sell the F-5's to Egypt as a symbolic decision to

show our support for Mr. Sadat's diplomatic initiatives?

A. I think it is more than that. I think it also does meet a genuine requirement which the Egyptians have in terms of their military requirement.

Q. Now, all this comes, as you know, at a time when Israel is already accusing you and the Administration of taking sides on the Israeli settlements and the Sinai issue and was triggered—I don't have to tell you this, of course—it was triggered by your statement Friday where you said: "... these settlements are contrary to international law and that, therefore, they should not exist." That is your position; is that correct?

A. That is correct.

Q. All right. Why are they contrary to international law? How are they, I should say?

A. The Geneva Convention, the so-called Fourth Geneva Convention, considered this question and concluded that the creation of settlements in occupied territory was contrary to international law because it was occupied territory and that is generally recognized international law.

Q. And there is no question about that?

A. There is no question about that.

Q. All right, when you say "should not exist," what do you mean by that?

A. What I mean is if something is illegal, then it follows that they should not exist. But I went on to point out what was going to be done about this was a matter for the parties to work out.

es concern, as it did the other day in the communique from the White House over Israeli settlement activity, does this mean literally that you want to see the bulldozers halted in the Sinai settlements and the amateur archeologists sent home from Shiloh?

A. We believe that the settlement activity, including the construction and the new activities that are concerned, does create an obstacle to peace, and we believe that peace will be fostered if this is stopped.

Q. And likewise, should the archeologists be sent home from Shiloh, in your view?

A. If, indeed, this is merely archeological, that would be one thing. It is not clear that that is the case.

Q. After your talks with Mr. Sadat, are you now in a position, as the mediator in the Middle East dispute, to tell the Israelis that further settlement activity could cause a breakdown in the peace talks?

A. I don't want to characterize it in the terms which you have set forth. Let me say again, however, that I do believe it creates an obstacle to peace and that this must be faced up to and dealt with in order to make progress in the talks.

Q. On the Ogaden, in your discussions with the Soviets, have you received any assurances that they do not have any intention of supporting an Ethiopian drive beyond the borders of Ethiopia?

A. And secondly, do you limit the area in which you think Soviet-American relationships might be affected, by their conduct in Africa, to the Indian Ocean talks?

A. We have received assurances that the Ethiopians would not cross beyond the border of Ethiopia into Somalia, and I hope and expect that that will be carried out.

Secondly, with respect to the impact of what is happening there on the overall relationship between the Soviet Union and ourselves, I am not suggesting any direct linkage, but I do suggest it affects the political atmosphere in which these discussions take place.

Q. For most of this week the Administration has been giving briefings to members of the American Jewish community, to Members of Congress who are known to be sympathetic to Israel's cause.

What is it you would like these people to say to Mr. Begin? Or what will you be saying to Mr. Begin in coming weeks? What is it that Israel could do particularly to contribute to the peace efforts?

On the Sinai, for instance, would you like Israel to agree that the settlements would be disbanded over a period of time? On the West Bank, what is it that the Administration is looking for?

A. We have been talking to various Members of Congress and various individuals here in the United States to bring them up to date on what has taken place during the talks with President Sadat so that they can understand the actual condition of the negotiations at this point and the obstacles and problems that remain, in order to make continuing progress in the talks.

We are pleased that as a result of the talks which we had with President Sadat when he was here, he has said that he will persevere in the talks and that he remains committed to peace and that the door to peace remains open.

In our discussions with the Israelis—and I shall be meeting with Foreign Minister Dayan on the 16th when he will be here in Washington—we will be talking about the discussions which we have had with President Sadat and what we believe, in light of those discussions, are the key points that have to be dealt with. They, clearly, are two in number: One is the question of settlements, and the other is the question of West Bank-Gaza and the intertwined Palestinian question.

What we will try and do is see if we cannot, in our discussions between them and ourselves, find ways of bridging the differences, because these two problems must be overcome if we are going to make any real progress in the negotiations. I think it is possible to make progress in these areas and that is the reason why we are sending Roy Atherton [Alfred L. Atherton, Jr., Assistant Secretary for Near Eastern and South Asian Affairs] back to the Middle East, following Mr. Dayan's visit here, so that he can pick up our mediating role in an active way, moving between the various capitals.

Q. After you have discussed this, as you said, with people who aren't normally having classified clearances, could you share it a bit broadly with more people?

A. And specifically, would the United States like Israel to agree on the Sinai settlements, to agree to closing them down over a period of time?

And on the West Bank, where do you stand, particularly on the American formula for a temporary internationalization of the area—I gather over 5 years—and do you still propose some kind of referendum of that at the ending of that period?

A. First, with respect to the Sinai settlements, we have said that we believe that all of these settlements are contrary to international law and that therefore, they should not exist. I think our position, therefore, is quite clear with respect to that. This, however, is a problem that has to be resolved by the parties. They are going to have to negotiate it themselves.

Secondly, with respect to the West Bank, we have indicated previously that we believe that there should be a homeland for the Palestinians and that it should be linked with Jordan.

We have suggested to the parties for their consideration the possibility of an interim arrangement covering a period of years in which the parties would have a chance to work out all of the very complicated and intricate details which would be involved in a West Bank-Gaza-Palestinian settlement, and we still believe that a formula of that type is one which should receive the most careful and serious consideration by the parties.

Q. Just about a year ago, you Ambassador to the United Nations referred to Cuban troops in Africa as being a stabilizing influence. I wonder if you could explain to us what is that has happened over the past few months that has caused the United States now to so drastically change its attitude?

A. When we first started talking to the Cubans last year, we indicated to them that we hoped that it might be possible to move forward in a measure of way toward an improvement of relations between our two countries. We indicated, however, that there were certain problem areas that existed between us that had to be discussed. One of those problem areas was the presence, and the increasing presence, of Cuban forces in Africa.

We expressed the hope at that time that this would change because we felt that this was not conducive to bringing about peaceful conditions in the area.

Since that time we have been disappointed in what we have seen. Rather than a decrease of forces, which we think would have been helpful and leading toward peace in the area, there has been an increase in forces. As a consequence of this, we think that the situation has been further complicated.

We are not suggesting this because we want to see the Cubans make any concession to us. What we are seeking is an action which will be helpful in leading to peace in the area rather than fueling the conflagration.

Q. Former Secretary Kissinger opposed the U.S. troop withdrawal

Korea on the ground that it would destabilizing, and it could be misunderstood by the North Koreans. It was reported quite recently by NHK [Nippon TV Network Corp.] interview with Dr. Kissinger. Could you give us what is the benefit to the United States, do you think, by pulling out U.S. troops in Korea?

A. I am not sure that you have accurately stated Secretary Kissinger's position, but I will, therefore, put that aside and speak to the specific question which you have put to me: What do I think is the benefit of a phased withdrawal of U.S. troops from South Korea?

We believe that if these troops are withdrawn over a period of time, a period of years—5 years, say—and that this is done on a phased basis while at the same time making sure that the South Korean forces are able to build up their own troops, that this will create a stronger and more self-reliant South Korea. We believe that this can be done without any danger to the security of South Korea.

We indicated further that we would be maintaining strong and substantial air units in the area and naval forces, and as a result of that, I think there should be no fear about the strength of America's commitment to the Republic of South Korea under the mutual defense agreement which we have signed many years ago. Nobody should have any doubts about that, and it would be very unwise if anybody, including the North Koreans, should have any doubt about the strength of our convictions there.

Do you detect an increased pattern of Communist espionage, with the Vietnamese spy case here and the expulsion of the Soviet diplomats from Canada? And, if so, is there a real concern in the United States about these events?

A. I would separate the two. The one that we are dealing with here is a case that dealt specifically with the Vietnamese, and I do not, therefore, mix it with anything which Canada has to do with respect to the Soviet Union. We had a very specific case to deal with there, a case under which an informant had been handed down with respect to espionage activities in which the head of the U.N. delegation for Vietnam was named as an unindicted conspirator. Under those circumstances we felt that it was clear that the illegals which the various people who are at the United Nations serving the missions have, had been violated, and, therefore, it was clear that they should be asked to leave the coun-

try, as we have done in other cases. That was done, and his government has indicated they will withdraw him.

Q. Could I follow up on that specific question, because intelligence activities are rather common, but the expulsion of such a high-ranking diplomat is not. Could you give us more of your thinking as to why you did order it, and also what impact you might think it would have on future relations with Vietnam?

A. Yes. In this case, this particular individual was named by a grand jury as an unindicted coconspirator. That means that he had an active part in what was going on. Therefore, it is a different situation from other situations that have occurred in the past.

Insofar as what will happen in the future, obviously this cannot be helpful in our bilateral relationships, but we hope that it would not impede them in such a way as to preclude in the future at some point moving forward with our discussions which we have started.

Q. Can you clarify whether the new Panama Canal treaty, in comparison to the existing situation, will cost the U.S. Treasury anything in expenditures or in lost revenue? And, if so, how much, in approximate terms?

A. As to the Panama Canal, let me try and divide this down into the various pieces so that we can all understand it clearly.

The treaties require no appropriations of taxpayers' dollars for payments to Panama. Payments to Panama will be drawn from the canal's revenues and only from the canal's revenues.

We have agreed, secondly, outside of the treaties to seek certain loans and credits for Panama. These loans and credits, which I believe total approximately \$345 million, must be paid back; they are not grants. They will be used primarily to finance U.S. trade and investment in Panama.

There will be, in addition to that, certain expenses which will be incurred for consolidation of military facilities and early retirement programs for our employees, should they desire to exercise that option.

None of the money expended for these purposes would go to Panama, and the United States is free to determine the nature of these expenditures. These programs will be determined by the Congress and the executive in the implementing legislation which will follow ratification of the Panama Canal treaties.

Q. I seem to recall the Carter Administration repeatedly announcing that ratification of the treaties will

not cost the American taxpayers any money, but the recent testimony of the Comptroller General, the Governor of the Canal Zone, as well as Senate Majority Leader Byrd, seems to indicate that ratification will, indeed, cost the taxpayers money. And I was wondering, do you believe these men are all wrong, or will the Carter Administration retract or revise—

A. No, I don't. I think, if you will take a look at the testimony—and I know what I have said in my own speeches—I have referred specifically to payments to Panama, and I have never said that there would be no cost to the American taxpayer with respect to such things as the consolidations that have to be taken care of in respect of the military facilities and in connection with the early retirement provisions. I think Senator Byrd made this very clear when he summarized these matters in his speech on the floor yesterday.

Q. In his speech at the National Press Club on Monday, President Sadat approached the subject of a nuclear-free zone in the Middle East. Was this discussed with Mr. Sadat when he was here?

And, secondly, is it your opinion now that the Middle East is a nuclear-free zone except for those nuclear or atomic weapons which may be in the area and under the control of a known nuclear power, such as the United States, the Soviet Union, Great Britain, France, China, and India?

A. No, I did not discuss this matter with President Sadat. This he raised himself in connection with his discussions at the meeting to which you refer.

Insofar as what is in the area at this time, we have nothing that I can add to what has already been said on this previously.

Q. What is the American view of Israel's reported attempts to move closer economically to South Africa? And what influence, if any, will that have on our future relations with that country?

A. I think that is a question that I really should not speak to and that should be answered by Israel itself. I would not necessarily accept the statement which you made as being an accurate one, but I think you ought to put that question to the Israelis and not to me.

Q. Is the United States trying to set up a three-way summit involving Mr. Begin and Mr. Sadat, as was reported today in the Jerusalem Post?

A. We have not yet suggested that. On the other hand, as we move on

down the road, we remain totally flexible, and anything that is going to move the peace process forward, we would certainly consider. At this particular moment, it doesn't seem necessary to do this.

Q. Could I follow up on one detail on Somalia? These Cubans that you number there, are they being drawn down from Angola or are they coming in fresh? In other words, is the total amount of Cubans in Africa going up?

A. It would appear that they are coming from both sources.

Q. In connection with the Cubans, you mentioned that the U.S. relations with the Soviet Union might be affected in terms of negotiations on the

Indian Ocean. Are there any specific areas in which U.S. relations with Cuba might be affected?

A. All I can say is that President Sadat kindly, as a courtesy, offered to let me read his speech before he made it at the press club. I did read it. I did make some suggestions to him. He then made his own decisions with respect to what his speech was going to be, as he quite properly should.

Q. Your assurances on the crossing of the border, do they come from the Soviets, the Cubans, the Ethiopians, or specifically whom?

A. From the Soviets. □

Press release 71 of Feb. 10, 1977.

General Overview of 1977 Activities

by Secretary Vance

I am delighted to appear before you as you consider the fiscal year 1979 budget for the Department of State.¹

I want to spend most of the time we have this morning answering your questions. But I would like to take a few minutes at the outset to give you a general overview, as we see it, of the year that has just passed and the year to come.

In many respects, the past year has been one of continuity in foreign policy.

- We built upon the record of 13 years of painstaking and difficult negotiations to conclude an agreement with Panama for the future of the Panama Canal.

- We have pursued, with great care and attention, the Strategic Arms Limitation Talks (SALT) with the Soviets, and we have made substantial progress toward an agreement.

- We have strongly reaffirmed America's commitment to our traditional alliances and the importance of working to modernize and strengthen those relationships.

- We have continued to play an active role in the efforts to achieve peace in the Middle East and southern Africa.

New emphasis has been given to other aspects of America's foreign policy over the past year. As we look ahead to the 1980's—and beyond—we are, as a nation, beginning to address the problems that will affect the re-

mainder of our lives and the next generation.

Arms Control

We want a world that is not constantly threatened by the possession—by dozens of countries—of the capability of starting a nuclear war. The risks of such a prospect, in a world filled with regional disputes of great emotion and volatility, are grave.

The President has brought into sharp focus the urgency of taking steps now to stop further proliferation of nuclear weapons technology. In our domestic nuclear programs, and in our consultations with other supplier and recipient nations, we have begun to investigate new technologies and examine new institutional arrangements that will enable the nations of the world to harness nuclear energy without spreading the most deadly instruments of war.

We recognize the drain on scarce resources created by the global traffic in conventional arms. We see also the constant danger that local arms races can fuel regional disputes, which all too easily can flare into regional wars.

As the world's largest supplier of conventional weapons, we have recognized our responsibility to review more rigorously requests for such arms. We will continue, of course, to utilize arms transfers to advance our own security and that of close friends. But in the future, the burden of persuasion will be on those who favor a particular arms sale rather than those who oppose it.

To be effective in the long run, the ef-

fort to restrain regional arms races must involve other nations. We have been meeting with other arms suppliers, including the Soviet Union to discuss possible measures for multilateral action. And we have encouraged the purchaser nations to adopt regional agreements that limit arms imports.

World Economy

We recognize that the economic well-being of the American people increasingly is influenced by a global web of decisions. The vitality of the economy is attuned to the health of the world economy. Economic decisions by the advanced industrial nations increasingly be made with close attention to the interests and concerns of developing nations. The condition of the world economy makes it essential that nations work together to find mutually beneficial solutions to global economic problems.

Last year at the London summit, we gave renewed emphasis to closer coordination among our traditional economic partners to build a more stable and durable recovery. Our talks with the Japanese have been particularly useful in strengthening their commitment to bring their current account surplus into equilibrium, to increase their real growth rate, and to open their markets. The multilateral trade negotiations in Geneva have been resumed and offers have been tabled. A fair and balanced agreement will, we hope, be completed this year. One of our primary objectives in international economic policy during the latter months of 1976 was an oil price freeze by the Organization of Petroleum Exporting Countries; this was accomplished.

At the Conference on International Economic Cooperation in Paris, we pledged special attention to the pressing needs of the developing nations, especially in our trade and financial assistance policies. And we began to fashion longer term policies—for Third World energy development, for expansion of International Monetary Fund resources, and for establishment of additional commodity stabilization agreements. We also began negotiations for a common fund to finance buffer stocks and will soon begin discussions on an international wheat agreement.

Human Rights

Finally, we have, over the past year, focused greater attention in our own country on the conditions of human rights around the world.

We have come to recognize that America is strongest in the world when it is true to the values of its people. Respect for the individual, abhorrence of government torture or arbitrary denials of freedom, the rejection of racism, the right to the economic necessities of life, and the opportunity to participate in one's government—these are convictions which are widely shared by Americans.

We are finding the most constructive ways to advance these goals. Our own decisions—on aid, on votes for loans to the international development banks, on military assistance and even on arms—these are reviewed for their potential impact on human rights conditions.

We are working to improve the human rights machinery of the United Nations and the Organization of American States and, with the help and participation of Chairman Fascell [Representative Dante B. Fascell, chairman of the joint congressional Commission on Security and Cooperation in Europe] and others in the Congress, to review and secure better implementation of the human rights provisions of the Conference on Security and Cooperation in Europe.

Our interest is in results, and thus we will not be rigid or doctrinaire. Ultimately, our policy will be measured by its impact on people's lives.

The decisions which the Administration, Congress, and the American people face in 1978 will be made, in my measure, within the context of the goals we set for ourselves during 1977. We will persist in our efforts to promote human rights, to check nuclear weapons proliferation, and to restrain growth in conventional arms traffic. In addition, our nation faces particularly important decisions in several areas in the coming year.

Agenda for 1978

Panama Canal Treaties. The treaties demonstrably promote our national interests, and for this reason I believe they will be approved by the Senate. They protect and enhance our right to defend the canal, by use of American troops if necessary. They provide that defense on more solid footing since we would be acting on the basis of agreements supported by the people of Panama and by world opinion.

By bringing Panama into full partnership with us in the canal enterprise, the treaties insure that the canal will always remain open and efficient. And by eliminating those arrangements which have been considered vestiges of colonialism throughout Latin America,

we create a new atmosphere in our relations that will enable us to strengthen our ties to our neighbors in this hemisphere.

In short, the treaties secure the future of the canal, and that serves our military needs, our commercial interests, and our international objectives.

Strategic Arms Control. We will continue during the coming months to pursue an agreement with the Soviets that will strengthen our security, as well as that of our allies.

Faced with a continuing competition in strategic forces with the Soviet Union, we have two choices: We can match those forces—and there can be no question we would do so—or we can pursue a new SALT agreement which will establish the principle of equality in strategic weapons and strengthen the strategic balance between our two countries. Such an agreement would not only place limits on Soviet forces but would force actual reductions from their current levels.

We also seek to impose constraints on the development of newer, more deadly systems. In addition, we will continue to press for a comprehensive ban on nuclear testing.

We will pursue these agreements with the Soviets because we seek to stabilize the military competition. At the same time we recognize that there will continue to be elements of both competition and cooperation in our overall relations with the Soviets.

Middle East and Southern Africa. Our diplomatic efforts toward peaceful and just resolutions to the conflicts in the Middle East and southern Africa will continue and will require public understanding and support. We will work for solutions to these difficult problems that will find the support of those directly involved and that will endure.

Domestic Energy Program. An effective American energy program must be enacted in the coming weeks. The United States is the world's greatest user, greatest waster, and greatest importer of oil. Our unchecked appetite for foreign oil—on which we spend \$44.6 billion per year, or 30% of our total import bill—undermines our own economy and threatens the welfare of others abroad.

Trade Negotiations. In consultation with Congress and the public, we will be seeking in the multilateral trade negotiations to design a more open trading system, one that will bolster our economy and the well-being of both the industrialized and developing world.

Foreign Aid. Through a more effective foreign aid program, we will en-

courage the growth and well-being of the developing societies. Their economic progress will advance our own.

The agenda for 1978 is a heavy one, reflecting the diverse challenges we face as a nation. But we face these challenges from a position of unparalleled strength, with extraordinary human and physical resources.

The decisions of 1978 provide us with the opportunity to demonstrate that a strong America has recaptured its confidence, the confidence to play a positive role of world leadership. It is a role we must play if the world is to come to grips with the complex problems that otherwise could engulf us.

All of the challenges we face will demand the full measure of our skill and resources. In that connection, let me briefly address two other matters which concern me and in which this subcommittee has demonstrated particular interest—maintaining the quality of the Foreign Service and strengthening our consular services abroad.

Foreign Service

The United States has the finest Foreign Service in the world. Those who serve our nation in its Foreign Service do so with great dedication and competence, often under the most severe and dangerous conditions. They serve not just the Department of State but the American people, conducting their official business, protecting their interests—and sometimes their lives—overseas. Maintaining the highest standard for our diplomatic personnel is essential to the successful conduct of American foreign policy and to the well-being of every American.

In the past, the Foreign Service has been able to attract and retain unusually high caliber people by offering the prospect of steady advancement to jobs of increasing challenge and responsibility. We have recently been faced, however, with a series of developments which have had a significant impact on the personnel structure of the Foreign Service. The executive pay raise of last February has resulted in a substantial decline in voluntary retirements. The recent court decision striking down the mandatory retirement-at-60 provision of the Foreign Service Act has aggravated the problem, and the Solicitor General, at our request, is appealing the decision.

I want this subcommittee to know—and we seek your support and counsel—that we will do all that we can to ameliorate the impact of these developments. We will take those steps that are available to us to provide

broad career opportunities and to strengthen the skills that have been the hallmark of our American diplomacy.

At the same time, we will continue to pursue a vigorous affirmative action program to bring about a more representative diplomatic corps. Early last year, I established a task force to examine equal employment opportunities in the Department of State and to make recommendations for a specific program for affirmative action. I have accepted the report of that committee, and we are working actively to implement its recommendations. They include increasing the hiring goals for existing affirmative action programs; centralizing Department recruiting and hiring; appointing more women and minorities to executive-level positions, to Foreign Service Selection Boards, and to Civil Service promotion panels; and establishing affirmative action as a factor in performance evaluations and promotions.

Consular Services

As we work to strengthen the Foreign Service, we must also address the need to improve and modernize our consular services abroad. In this connection, I want to express again my appreciation for the strong leadership and support this subcommittee has demonstrated in this area.

The continuing growth of travel abroad, and this Administration's commitment to facilitate the ability of all peoples to move freely in the world, give renewed importance to the quality of our consular resources.

As part of our efforts to improve these services, on which the American people have come to rely more heavily, we are working to improve the management and use of our existing resources.

- Since 1973 the personnel resources devoted to the consular function have increased by approximately 13%. The commitment of additional resources will continue, particularly to posts where the problems are most severe.

- We are improving the quality of the consular work force. We have expanded the training courses available for consular officers, and in 1977 the Department opened a new consular training facility as part of the Foreign Service Institute.

- We are working to provide better promotion opportunities and other incentives for our consular officers.

- We are expanding and reorganizing the office of the Assistant Secretary for Consular Affairs to enable us to al-

AFRICA: Namibia

Secretary Vance visited New York February 11-12, 1978, to meet with representatives of the contact group on Namibia (Canada, France, West Germany, United Kingdom, and United States), the South West Africa People's Organization (SWAPO), the South African Government, and other African states to discuss an internationally acceptable transition to independence for Namibia. Following are remarks to the press by Secretary Vance and the Foreign Ministers of Canada (Donald Jamieson), France (Louis de Guiringaud), West Germany (Hans-Dietrich Genscher), and the United Kingdom (David Owen) on February 12.

Secretary Vance: I think that this has been a useful 2 days that we have had with the parties and a chance to discuss the proposals we have made in respect to Namibia. We have had a number of suggestions made by both sides with respect to the proposals we have made. The discussions which we have had on those issues have now clarified the problems as they appear to both sides. We will be working on clarification of the issues which have been raised and will be in touch with both the South Africans and the South West Africa People's Organization (SWAPO) in the very near future.

I would say on the whole that I think we have made some progress; there are some difficult issues yet to be resolved, but I am pleased that we have had what

I think has been a very useful meeting during these last 2 days.

Foreign Secretary Owen: I think the only thing I can say is that it's a very serious issue—the chance of getting Namibia to independence with international acceptance is a major problem which would have profound consequences for southern Africa. I think the fact that we've seen together five western Foreign Ministers, Foreign Ministers from many of the front-line countries, other African states, the South African Foreign Minister [R.F. Botha] and everybody coming to discuss the creation of a new independent state within the framework of U.N. resolutions is of itself a really remarkable fact of life.

In my judgment, the differences that exist between the parties are such that it's not possible to close the gap, and the prize in my judgment is too great to allow an unwillingness to make the necessary compromises to stand in its way. So I leave here and think this business of being optimistic or pessimistic is almost impossible to assess. There is a chance that Namibia could go to independence under an internationally acceptable framework with the involvement of the United Nations. That's a very big prize, well worth that effort.

State Secretary Jamieson: I don't think there is anything I can add other than to reaffirm the fact that this has been for me

locate better available consular resources.

- We are expanding the automation capabilities for issuing passports and visas.

But the difficult problems remain. The strains on available consular resources continue to build, deriving from several sources. These include:

- New statutory demands on consular services, such as refugee processing, return of Americans imprisoned overseas, and emergency medical and dietary assistance to Americans abroad;

- The ever-increasing numbers of Americans now traveling abroad and foreign citizens traveling in America, both of which should increase even further with lower cost airfares; and

- The magnitude of the undocumented alien problem.

The simple fact is, additional resources are needed for this vital function, and, accordingly, we have sought new funds for this activity in our budget request.

As you consider this request, along with the entire budget, we stand ready to cooperate with you fully and to assist you in any way that we can.

Statement before the Subcommittee on International Operations of the House Committee on International Relations on Feb. 8, 1978 (text of press release 66 of Feb. 8). The complete transcript of the hearings will be published by the committee and will be available from Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

¹ This request refers to \$1.3 billion for Department of State operating expenses plus \$56.3 million for migration and refugee assistance.

and I'm sure for my colleagues, a welcome opportunity. I think if one had to identify what the real advantage has been, it has certainly been to focus the issue very clearly, to give us—as the representatives of our countries—a comprehensive overview of just exactly what is involved, to identify the areas of problems that still exist and that are to be resolved. But on balance, I think we have moved significantly over these last 2 or 3 days. As Mr. Owen has said, it may not be appropriate to describe it as optimistic or pessimistic, but certainly I believe that we have the momentum going here that can produce the desired results within a very quick time frame.

Foreign Minister Genscher: [Unofficial translation] When I left Germany, I was asked whether I thought that there would be a breakthrough at our meeting, and I replied by saying I did not think there would be a breakthrough but that there would be progress. Now, shortly before I will be leaving New York, I can rightly say that there has been progress made in the talks which we have had. I consider that it was a very important event which made five Foreign Ministers, whose countries are members of the Security Council, meet here for a serious effort to bring about a solution in a difficult international question.

It was likewise of great importance that for the same reason, African Foreign Ministers and politicians also came here to meet with us. There is so the presence of the president of SWAPO [Sam Nujoma] and of the South African Foreign Minister, which means that all these personalities see a chance which they all would like to have made the best possible use of. Our aim is to set an example for a solution according to which in a country elections can be organized with security and while maintaining order, so that this country can come to independence. This event will show that all patience and all endeavors made were worthwhile and that this country is indeed being led toward independence and freedom.

Foreign Minister De Guiringaud: I think there is little I can add to what has already been said. With respect to the progress of the meeting, I think it was worth meeting, the five of us, here together with the Foreign Minister of South Africa and together with several Foreign Ministers of important African countries. We did not expect to achieve complete agreement when we came over here; no one of us expected it. But we expected that we would make progress and that more comprehension of

the problem would be reached on both parts—by all parties.

I think this has been achieved; the last conversation we had with the president of SWAPO is a very good example of that. We were in a position a few months ago where nobody knew what would happen in Namibia, that a process could have started whereby some kind of political solution in Namibia would have developed which would have been to the detriment of the people and would have put [inaudible] in a rather difficult position. I'm convinced tonight that the effort which has been deployed by the contact group of the five has been extremely useful and that the effort which we have deployed in the last 2 days has added to this. Now there is a fair chance that Namibia will accede to independence within the framework of U.N. resolutions.

Q. We have heard here last week and this week that all the parties have made significant modifications in their positions. We have also heard that SWAPO has made some concessions. We have heard that South Africa pretty much accepted the same position and is going [back] to South Africa to consult. What I would like to know is if there aren't further concessions from South Africa, how likely are sanctions against South Africa in the Security Council?

Secretary Vance: Let me first answer by saying that as far as South Africa is concerned, there have been concessions on the part of South Africa as there have been concessions or flexibility on the part of SWAPO as well. So I think on both sides there have been—there has been demonstrated a willingness to try and move in a fashion which is necessary if there is going to be the kind of compromise which is necessary in any set of negotiations.

Insofar as the question of sanctions is concerned, I think we ought to wait and see what happens as we proceed forward during the next weeks to see whether we cannot make progress in this particular area. I think it is much too early to draw conclusions about what the future holds, and, therefore, I would think it is too early to respond to the question you asked.

Perhaps some of my colleagues would like to speak.

State Secretary Jamieson: We can agree.

Q. [Inaudible—concerns when South Africans might move toward an internal settlement]

Secretary Vance: I really can't answer that with precision—I wish I could. The South Africans have talked about an internal solution or settle-

ment. On the other hand, I think it is important to note that when the South Africans went back for further consultations they did not indicate that they were going back to discuss the question of an internal settlement or solution. They went back to consult with respect to what might be done in terms of the propositions which have been made and how they could be handled in the future. So, therefore, I would not like to try and guess or predict at this point how much time there is.

Q. Is the end of the year an actual deadline for the independence of Namibia, or could you move that up? Why did you choose that deadline?

State Secretary Jamieson: To the best of my knowledge, I don't think anybody from our side has ever put a deadline or has said the end of the year. I think there has been a general observation that 1978 was, in fact, the year in which independence should be achieved. But, I don't recall—certainly not in these last days—anybody speaking about a very specific date. Obviously, the faster, the better.

Southern Rhodesia

Department Statement

In consultation with all the parties concerned, the British and American Governments developed a plan designed to avoid the problems that frustrated previous settlement efforts in Rhodesia. We believe this plan offers an opportunity for the people of Zimbabwe to choose their own leadership fairly and openly. It sets the standard against which any settlement proposals should be measured.

To the extent that last week's Salisbury announcement offers the possibility of an early end to the white minority's domination of the political process, it is a significant step. We lack information, however, on important details of the agreement, and there are complex and significant aspects that remain to be worked out among the parties.

We remain dedicated to working with all of the parties, both those in Salisbury and outside of the country, to promote a peaceful settlement with majority rule. □

Read to news correspondents on Feb. 22, 1978, by Department spokesman Hodding Carter III.

Q. In the proposal there is a date—December 31, 1978—for independence. Is that date no longer valid?

Secretary Vance: I would say that that is a target date. Everybody, as the Foreign Minister said, would like to see it happen as soon as possible, but that is a target date rather than a final date.

Q. Ambassador [Donald F.] McHenry [U.S. Deputy Representative on the U.N. Security Council] told us earlier that you are now in the process of constantly revising some of the proposals. If so, it appears that [inaudible].

Secretary Vance: I would describe it as clarifications that are being made with respect to the proposals which the five have put forward. I think that what he is doing is taking back the issues which exist as a result of the discussion and the reports which we have made to him with respect to the positions of the other side. We have indicated that we will send to him our suggestions with respect to clarifications, as we will to SWAPO, and we will then receive the views of both of them and determine what changes, if any, might be made with respect to our proposals. But, I would really call them clarifications more than revisions.

Q. Could you give us some indication as to what the range of options are in terms of what is unacceptable from either party?

Foreign Minister Genscher: The negotiations are upstairs. [Laughter]

Foreign Secretary Owen: I hate to get too formally committed here. This is best done privately. If we firm up our positions then we will firm up the opposition and firm up the inability of people to move into the center. We are trying to keep everybody from getting into too rigid positions. One of the things in any negotiation is that people often find it easier to make that compromise when they see the package as a whole emerge. If you start isolating individual claims and making sticking points you gradually build up a situation where you haven't got any flexibility in the negotiations. Everybody knows the main central problems as always in these issues—and we have had it in Rhodesia and elsewhere—and you get down to law and order issues. This is the problem. The question of the armies—the way and the control—these are the things that are the central core of the problem.

Q. How would a settlement in Namibia affect the prospects for a settlement in Rhodesia?

Foreign Secretary Owen: I think that if we could show in Namibia that you could bring a country to independence—internationally agreed and with a major role of the United Nations—this will all do very well for an internationally acceptable solution in Rhodesia. I think that if the South Africans can accept one man, one vote without qualifications, and they have

expressed a readiness to accept a role of the United Nations, then there is no real reason why the Rhodesians, black and white, should not accept the same. But, as for the timing, these issues have moved across in time over the last few months quite often, and no doubt they will again.

Press release 73 of Feb. 14, 1978.

ECONOMICS:

U.S. Embargo Policy

by Julius L. Katz

I welcome the opportunity to appear before you to consider questions relating to proposals for an economic embargo against Uganda in the context of U.S. experience with embargoes against other countries.

I would like to emphasize that there can be no question about the concern of this Administration with the violation of human rights in Uganda. We have made clear, and will continue to make clear, our opposition to an abhorrence of the flagrant disregard of fundamental human rights and denial of specific human dignity in that country.

Both the executive and legislative branches of the U.S. Government have made clear in numerous ways the importance of minimizing restrictions on international trade. Such a policy has contributed significantly to the growth of the economic, political, and military strength of our country. This basic philosophy has served us well. Therefore, we believe trade restrictions of any kind are not to be entered into lightly.

An economic sanction is generally regarded as an action toward another nation intended to force it into a desired course. It might take the form of a trade embargo, lesser forms of restrictions on trade, or withholding loans. Prospects of effectiveness are increased through multilateral action. But it is often difficult to reach international agreement on the application of sanctions. And even internationally agreed sanctions may not change the policies of the targeted country. A broad embargo is the most restrictive form of economic sanction and, therefore, most harmful to trade interests. Economic sanctions, especially a unilateral embargo, should be imposed only where there are extraordinarily serious reasons for doing so.

The United States has, of course, believed that embargoes have been jus-

tified in certain exceptional circumstances in the past. Chief among these are armed hostilities.

Most past U.S. embargoes, including several still in effect, have been instituted for this reason. During the Korean conflict we imposed an embargo against North Korea. Similarly, during the Vietnam war we embargoed trade with Communist-controlled portions of that country. This embargo was extended to all of Vietnam, and Cambodia, when the Communists took over complete control in 1975. The embargo against Cuba came at a time when Cuban actions presented a serious threat in the Western Hemisphere.

In other situations we have imposed embargoes as a result of U.N. Security Council findings under Chapter VII of the U.N. Charter. Thus, the United States is participating in multilateral Rhodesian sanctions and in a U.N. agreed mandatory prohibition of the sale of munitions to South Africa.

For many years we have restricted the export of strategic goods and technologies to countries threatening our security. Together with other NATO countries and Japan, we have prohibited the export of items which would make a significant contribution to the military potential of the U.S.S.R., other Warsaw Pact countries, and the People's Republic of China which would prove detrimental to our security.

Effects of an Embargo

The economic effects of embargoes prohibiting virtually all U.S. trade with Cuba, Vietnam, Cambodia, and North Korea have been limited. This has been in part because other countries have not joined us in restricting trade. The effect on Cuba was relatively greater than on the East Asian countries because of the proximity of Cuba to the United States and the extent of economic ties before

the revolutionary government came to power. Cuba lost a major market for its sugar, but the U.S.S.R. took up most of the slack. Cuba and Vietnam have been deprived of spare parts for equipment previously imported from the United States. U.S. trade with Cambodia and with North Korea was not significant even before the embargoes.

In the case of Rhodesia, the embargo has been accompanied by sanctions against South Africa and earlier by Portugal's African colonies. The Rhodesians have also concentrated on the development of indigenous industry since the imposition of sanctions. Controls on exports to South Africa and to the U.S.S.R., other Warsaw Pact countries, and the P.R.C. are not designed to have an economic impact.

The political effects of these embargoes have also been limited. In some cases a targeted country changed its internal or foreign policies in the wrong direction. For instance, Cuba and Vietnam moved closer to the U.S.S.R. following imposition of the U.S. embargoes, although they probably would have done so even in the absence of our trade restrictions. The embargo of Cuba may have helped to contain the spread of Communist influence in the Western Hemisphere, but this opposition cannot be proven nor disproven.

In the case of Rhodesia, however, there is strong evidence to suggest that the adherence to U.N. sanctions by most nations, coupled with the strains imposed by an ongoing guerrilla war, have seriously damaged the Rhodesian economy and significantly influenced developments there. Restrictions on exports of strategic items to the U.S.S.R., its allies, and the P.R.C. have had only the modest impact of somewhat slowing the transfer to them of advanced Western technology.

Current Rationale

The committee has asked for a statement on the current rationale for the embargoes still in effect. I shall attempt

to respond by describing conditions under which it might be wise to remove existing embargoes. The circumstances which prompted imposition of some of them have changed somewhat over the years. However, it would be irresponsible to discard them on that basis alone. Ending an embargo is a dramatic action with significant policy ramifications.

- In the case of Cuba, full normalization of trade and diplomatic relations hinges in our view upon Cuba's willingness to address, among other issues, compensation for American citizens whose property was expropriated by the Cuban Government and restraint in Africa.

- In the case of Vietnam, we are prepared to end the embargo at such time as normal diplomatic relations are established and ambassadors are in place.

- Cambodia does not seem to be interested in considering whether a similar arrangement might be possible there.

- Continuing North Korean intransigence makes any accommodation unlikely in the near future.

In all four of these cases controls on the export of strategic items would be continued for national security purposes even if other controls were removed. Whether or not to remove these other controls inevitably becomes a question of foreign policy, which should take the totality of our relations with the targeted country into account.

With respect to Rhodesia and South Africa, the United States is complying with U.N. Security Council resolutions on sanctions. Unilateral U.S. controls against South Africa going beyond U.N. resolutions consist of restrictions on exports to the police and the military aimed at dissociating ourselves from their apartheid-motivated repressive measures.

There has been no development which would warrant discontinuing the strategic embargo against the U.S.S.R., Eastern Europe, and the P.R.C.

Relevance to Uganda

What is the relevance of all this to Uganda? As I said at the outset, it is our view that sweeping economic sanctions, particularly embargoes, should be entered into only under extraordinary circumstances. As was stated by the Department's witness at the February 2 session of these hearings, it is the Administration's view that the taking of such a step with respect to Uganda at this time is not likely to be

effective, particularly given the improbability of endorsement of or participation in such a move by the international community as a whole. The United States is neither a unique nor an essential source for Uganda's imports. Coffee is Uganda's principal export, and Uganda would have little or no trouble finding other customers for the coffee it now sells to American firms.

Does this mean that we should do nothing in the trade field to show our displeasure with human rights violations in Uganda? No. It is quite proper for us to prohibit the export to Uganda of items which could reasonably be used to repress the people of that country. This we are doing. It is also quite proper for us to encourage increased international attention to the human rights situation in Uganda, including international pressure on the Ugandan Government to improve its human rights performance, as we are also doing. But we do not believe that it would be wise to impose a unilateral embargo on Uganda. □

Statement before the House Committee on International Relations on Feb. 9, 1978. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Mr. Katz is Assistant Secretary for Economic and Business Affairs.

CONGRESSIONAL DOCUMENTS

Temporary Suspension of the Duty on Certain Latex Sheets, and Other Matters. Report of the Senate Committee on Finance to accompany H.R. 2850. S. Rept. 95-419. Sept. 9, 1977. 5 pp.

Duty-Free Treatment for Imports of Copying Lathes Used for Making Shoe Lasts, and Other Matters. Report of the Senate Committee on Finance to accompany H.R. 3093. S. Rept. 95-421. Sept. 9, 1977. 7 pp.

Temporary Suspension of the Import Duty on Certain Horses, and Other Matters. Report of the Senate Committee on Finance to accompany H.R. 3259. S. Rept. 95-422. Sept. 9, 1977. 6 pp.

Suspension of the Import Duty on Intravenous Fat Emulsion, and Other Matters. Report of the Senate Committee on Finance to accompany H.R. 1904. S. Rept. 95-432. Sept. 15, 1977. 6 pp.

Extension of Suspension of Duties on Certain Classifications of Silk Yarns, and Other Matters. Report of the Senate Committee on Finance to accompany H.R. 3373. S. Rept. 95-434. Sept. 15, 1977. 7 pp.

ECONOMIC REPORT OF THE PRESIDENT

On January 29, 1978, President Carter sent a message to the Congress outlining his fundamental domestic and international economic goals and his strategy for attaining them. The full text of this message is printed in the Weekly Compilation of Presidential Documents of January 23, 1978, p. 129.

International Aviation Policy

by Richard N. Cooper

These are lively times for international aviation—times of change for the industry and the government. But before addressing these changes, I would like to say a word about what is unchanged in U.S. international aviation policy.

The enduring objective of the United States in international aviation is to serve the national interest in efficient, reliable air service; in a viable U.S. carrier industry; and in a regime of fair rules and expanding competitive opportunity for both U.S. and foreign carriers. These objectives parallel our goals in foreign commerce generally: We seek to remove unnecessary restrictions; to enlarge the possibilities of competition; and to maximize the benefits of competition for the consuming public, industry, and labor.

These generalities have, in recent months, taken on a new and specific form. New entry and price competition among carriers in the North Atlantic has resulted in substantial fare reductions and in extraordinary range of opportunities for travelers of ordinary means. Decisions by the Civil Aeronautics Board and the President have encouraged innovations and low fares in scheduled service and liberalized the rules for charters. In aviation agreements with Mexico, Belgium, Singapore, four African countries, Yugoslavia, and Paraguay we have secured expanded rights for both charter and scheduled service.

Political scientists dispute whether it is events that create policy or policy that controls and shapes events. Frequently both propositions are true; these changes in the marketplace and in government regulation are a case in point.

Forces Behind Recent Changes

In recent years, the main economic problems of international aviation have been too many empty seats and, on many routes, unduly high rates. The problems have reinforced each other: High rates have reduced the growth of travel, while empty seats have produced losses and the impetus to raise rates even higher. In the world of theoretical economics, this circle would be broken by competitive fare reductions. But the real world of inter-

national aviation is not the theorist's model of perfect competition. In some areas of the world, low load factors have led, at times, to rebating rather than to lower authorized fares. In other areas, fare reduction and innovation have not been seen as in the interests of governments or carriers. And some countries have not permitted the liberal charter operations which act as a spur to competition among scheduled carriers.

On North Atlantic routes, these barriers to competition have been partially overcome by market forces. The demand for low-cost travel is enormous. Millions of travelers have shown themselves willing to accept some inconvenience—fixed return dates, advance purchases, or the uncertainties of standby status—in return for discounted fares. This demand for nonbusiness travel created the charter industry, led to scheduled fare innovations, and in recent months has made possible active price competition on the North Atlantic.

While the marketplace has been changing so have public and official views about the proper role of regulation in the aviation industry. For domestic aviation, there has been increasing agreement that regulation should be modified to allow substantially greater freedom for new entry and price competition. The problems of international aviation, though in ways more complex, are broadly similar.

In the past, nations have avowed two basic reasons for restricting entry, operating rights, and price competition in international aviation. They have viewed the entire international aviation system as what economists call an "infant industry," needing the nurturance of government for its survival and growth. And in particular, they have promoted national flag carriers, and protected them from competition, as a means of serving broad political as well as economic goals.

Whatever the merits of these restrictive policies in the past, they are increasingly inappropriate to the international aviation industry of today. The industry has reached maturity. Its growth has been spectacular. In the last decade, international passenger traffic has doubled, and cargo has nearly trebled. Over two dozen flag carriers operate over intercontinental route networks. In this new context, govern-

ments can take a step back and let the key decisions be made by competitive airlines rather than by administrative dictate.

The basic case for reduced restriction can be made from a comparison of fares over similar routes. The one-way economy fare from Los Angeles to San Francisco is \$28.10; the distance is 33 miles. California allowed free competition and entry until the mid-1960's and still has a less restrictive framework than the interstate system. On an interstate route of 334 miles—Chicago to Minneapolis—the fare is \$52.

In Europe fares for comparable distances are similar or higher: London Glasgow, a 326-mile route, has a fare of \$58, and the slightly shorter Lisbon-Madrid route is \$56. Or if we look at a longer route—for example Paris-Rome—we can calculate the pro-rated cost of 337 miles to be about \$77.

To be sure, traffic density on the Los Angeles-San Francisco route is exceptionally high. But careful and repeated study has shown that the basic explanation for the low fare is competitive efficiency rather than good weather or high market potential.

The task, then, for the United States is to work with other countries to achieve the benefits of competition and to remove needless restrictions. Because international aviation rights are defined by bilateral agreements, the expansion of competitive opportunity is necessarily a process rather than a single decision. In economic terms, the aviation market between two countries is a bilateral monopoly. Both sides must agree to the terms and conditions of airline operation. Since agreements are a result of bargaining, at any given time the aviation agreements applying to different markets will not be perfectly parallel or consistent. But notwithstanding this obvious point, there is one overriding economic force which will aid our attempt to achieve liberal aviation rules—geographic competition. As the international aviation network has expanded, the choice of routing available to passengers has vastly increased. Winter tourists from the east coast can choose among dozens of sunny destinations. The traveler to Europe has a broad choice of U.S. gateways and European intermediate points. Restrictive rules in one market will lead to relative decline for that market and increased prosperity for its competitors.

Negotiating Policy

The Administration is committed to a forceful and vigorous program of international aviation negotiations designed

extend and formalize the scope of competition. Four principles characterize our negotiating policy.

- We are committed to expanding low-fare opportunities for the traveling public. In my own view, the market for low-cost travel has barely been tapped outside the North Atlantic. Within present arrangements there is great room for low-fare innovation and competitive pricing, which we will encourage. In negotiating new and revised agreements, the United States has reaffirmed this permissive policy and obtained clear commitments to low-cost and innovative rates. By the terms of these agreements, approval of low fares will not depend on whether these rates have been set by intercarrier agreement. We encourage U.S. flag carriers to take advantage of the new opportunities.

- Liberal charter rules should be guaranteed as an integral part of bilateral aviation agreements. In the past, such agreements have often dealt with charters and scheduled services separately or have covered only scheduled services. But we have come to recognize that charter service is not an incidental appendage to the international aviation system but one of its central features. The opportunity for charter competition under liberal rules must be fully guaranteed, not merely to serve the needs of charter customers but to provide competitive conditions among scheduled carriers. Removing unnecessary restrictions on charter service is thus a prime objective of U.S. policy.

- We must insure that the system of routes, rights, and designation for scheduled carriers permits full scope of competition. Airline routes should be expanded to meet potential demand and should be free of limitations on capacity or frequency and arbitrary restrictions on operating rights. The answer to empty airline seats lies not with government restrictions on capacity but with lower fares through competition and with reduced restrictions on routes and operating rights.

- To maximize the possibility for competition, we will press for multiple designation of U.S. carriers in all suitable markets, as well as multiple nonstop gateways for international travel. Again, we believe that vigorous service and price competition among carriers, rather than the award of monopoly rights, is the best way of meeting the needs of shippers and travelers.

- The United States is committed in aviation negotiations to be forthcoming in offering foreign countries new opportunities in exchange for new opportu-

nities for our own travelers, shippers, and carriers. We want to join our negotiating partners in enhancing the aviation market rather than restricting that market through mutual protectionism.

These are ambitious objectives, but I believe that they are reasonable and that they can be attained. Their achievement will require hard and coordinated work by U.S. agencies. I am told that we are in a period of unusual accord among agencies on our objectives in international aviation. The number of meetings per agreed word is at a record low. Yet inter-agency harmony is high. We are, perhaps, in a new era when agencies agree and airlines compete, rather than the other way around.

For our part, the State Department will continue to work closely with other agencies in preparing our negotiating position and in the negotiations themselves. We will continue to seek the assistance of the aviation industry and of the consuming public. Together, I believe we have an historic opportunity to make the technological marvel of international air travel a reality for the average American. It is in this sense—of making the world accessible to tens of millions—that a free and competitive international aviation system is most profoundly a part of American foreign policy. □

Address before the International Aviation Club in Washington, D.C., on Jan. 18, 1978; Mr. Cooper is Under Secretary for Economic Affairs.

Debts Owed to the U.S.

by Robert D. Hormats

As of September 30, 1977, outstanding indebtedness on U.S. Government credits (exclusive of indebtedness arising from World War I) totaled approximately \$42.1 billion, of which \$41.6 billion related to long-term debt with an original maturity of over 1 year. This debt includes many loan categories, with the terms of lending reflecting the purpose of the program under which the loan was extended. Humanitarian or development loans, representing almost 60% of our debt, are, for example, highly concessional.

On the other hand, loans by the Export-Import Bank, which account for roughly 28% of our outstanding debt, are at market-related rates consistent with the Bank's legislative mandate to provide official financing for U.S. exports comparable to that of our major competitors.

Approximately 54% of our long-term debt is attributable to the non-OPEC developing countries. OPEC countries account for 8%, industrialized countries (including Israel) for 34%, and the Soviet Union and Eastern Europe for 4%. Aside from Ecuador, Indonesia, and Nigeria the bulk of the debt owed by OPEC countries is related to Export-Import Bank lending. This is also the case for lending to other industrialized countries.¹

The objective of U.S. foreign policy is to protect the interests of the United States—among which are the assets

represented by foreign debts. Individual lending or creditor agencies have the primary responsibility for insuring debtor-country compliance with agreed repayment schedules. In situations where these agencies encounter collection difficulties and request assistance, the Department of State and U.S. embassies overseas have the responsibility for pursuing collection.

We take these responsibilities very seriously and pursue such delinquencies vigorously. Among the areas of progress over the last 18 months were collections of overdue payments from Hungary (\$4.3 million), the Dominican Republic (\$1.4 million), and Uganda (\$500,000).

In the vast majority of cases, debts owed to the United States since World War II have, in fact, been paid on time. Repayments, including interest, on long-term credits extended since 1940 now exceed \$45 billion. As of September 30, 1977, principal and interest due and unpaid 90 days or more totaled \$591 million.

I note that in spite of the difficult financial situation faced by many debtor countries, the level of outstanding arrearages reflects an *improvement* over the \$652 million figure discussed at this subcommittee's last hearing 2 years ago. While this reflects primarily the seriousness foreign governments attach to honoring agreed obligations, it also reflects the importance and high priority given to debt-collection efforts by the U.S. Government.

While debtor countries worldwide have a generally good record in maintaining their debt servicing payments to the United States, I assure you that we will continue to press for improved results.

Major Arrearages

It is important to recognize, however, that a large portion of current delinquencies relate to a few unique situations where circumstances currently impede our ability to collect. For example, approximately 70% of current arrearages relate to Korea conflict logistical support claims and debt owed by China, Cuba, the Khmer Republic, and Vietnam.

Arrearages relating to logistical support provided by the United States to other nations during the Korean conflict total \$200 million. They arose because, while we concluded formal agreements for repayment of such assistance with 14 countries, the validity of the claims of six countries (Colombia, Ethiopia, Greece, the Philippines, Thailand, Turkey) cannot be clearly established. The history of these claims is complex, and we are about to begin consultations with Congress regarding the initiation of legislation which would remove the claims from the category of outstanding debt. This course of action conforms fully to a 1976 recommendation of the House Committee on Government Operations.

The delinquencies attributable to the Republic of China total \$108 million and are largely related to lend lease and other war accounts settlements. The debts involve a number of difficult issues including the proper allocation of claims between the Republic of China and the People's Republic of China, the correct evaluation of the claims, and the problems of government succession. Cuba's arrearages total \$74 million, most of which is owed to the Export-Import Bank. As our relationships with the People's Republic of China and Cuba evolve, we will consider how we might handle the question of these and related debts.

Political factors also hinder settlement of \$25 million now owed by the Khmer Republic and Vietnam. In this context, it should be noted that our performance in assuring debt repayment is best in countries where we maintain good bilateral relations. And conversely, situations where bilateral relations bear the legacy of historic animosity or are clouded by serious friction often constitute serious debt-collection problems.

Arrearages other than the five cases cited above total approximately \$184

million. The largest of these are attributable to Iran (\$36 million) and Zaire (\$25 million). In the case of Iran, the United States has made extensive efforts to collect arrearages owed on two surplus property agreements signed in 1945 and 1948. Iran made payments totaling \$11 million on these debts during the late 1940's but halted them during the period of instability in the 1950's. As a result of recent negotiations, Iran made payments of \$750,000 (March 1973) and \$1.8 million (October 1975).

Iran has, however, made future payments conditional on progress in settling a claim they have against the United States for damages to Iranian railways by Allied military forces during World War II. They place their claim at \$172 million. We have advised Iran that the evidence they have submitted to date does not substantiate a claim against the United States. We have also stressed our position that the long established surplus property debt, the validity of which is not in question, should be paid off without reference to the unconnected Iranian claim. We have noted, however, that we remain willing to give the Iranian claim—which is further complicated by the issue of the division of financial responsibility in Iran during World War II between the United States and the United Kingdom—a full hearing. It is our intention to continue pursuing this matter at an appropriately high government level.

The Zairian arrearage is a reflection of the serious economic situation which has affected that country since 1974. This situation has been characterized by substantial balance-of-payments deficits, a prolonged pause in economic growth, and a large accumulation of arrearages on foreign debt. It was the view of the International Monetary Fund that a rescheduling of Zaire's external debt was an essential element in economic recovery. This analysis was shared by all of Zaire's official creditors which have subsequently negotiated two Paris Club rescheduling agreements covering a large portion of the 1976 and 1977 maturities. Until such time as the United States and Zaire conclude an implementing agreement on 1977 maturities, these payments are technically recorded as arrearages.

Apart from the debt owed by Zaire and Iran, a large portion of the remaining arrearages constitute technical and administrative problems rather than any intentional failure to pay.

Recognizing that extraordinary circumstances may require a modification of loan terms to reflect a change in conditions in a borrowing country, the

Congress has provided authority for debt renegotiation for each U.S. Government lending program.

Debt Renegotiations

Even with this authority, however, it is U.S. policy to confine the use of this authority to extraordinary situations where necessary to assure repayment. Eligibility for debt relief has traditionally been based on a "case-by-case" examination of individual debt problems as they arise. This is normally done in a multilateral framework to insure equal treatment among creditors.

The incidence of serious debt servicing problems requiring multilateral debt relief continues to be confined to a few countries. Although the period 1974-77 has been a particularly difficult one for the developing world, the vast majority of developing countries have continued to service fully their official debts. During this 4-year period only six countries required multilateral debt renegotiation, with the United States participating in the agreements for four of the countries—India, Pakistan, Chile, and Zaire.

Multilateral debt renegotiations affect government or government-guaranteed debt. Usually short-term credits, all unguaranteed bank credits and loans from the multilateral lending institutions (World Bank, etc.) have been excluded. The United States has no legal authority to bind private creditors to these agreements. As a result, the U.S. participation has been conditioned on debtor-country agreements to make all reasonable efforts to reorganize unguaranteed private credits on terms comparable to those covering government credits. This reflects our view that the principle of comparable treatment of both public and private creditors is appropriate and that it is highly important that the risks of lending be shared by both.

We do not believe public creditors should "bail out" their private counterparts. In addition to establishing an unfair burden on taxpayers, such "bail out" could lower the general current high level of lending standards by giving both private lenders and debtor countries the false impression that creditor governments are willing to assume responsibility for the repayment of private debt.

I would like to restate my belief that debt problems are neither widespread nor unmanageable. Given a reasonable international economic environment, debt problems over the next several years should be confined to a relatively few countries. On the collection of arrearages and prudent use of debt re-

EUROPE: Summary of U.S.-European Relations

George S. Vest

Since my predecessor, Art Hartman, testified here last May, many things that were then still novel or nascent in American policy toward Europe and Canada have emerged into vigorous, clearly defined growth. During the same period, our commitment to other additional elements of policy has not only been reaffirmed but reinforced by action. In each of the main areas of interest to the United States—Western solidarity, the military defense of the West, and relations with the East—we are using the new features of our working diplomacy in the service of established basic purposes.

- We have placed fresh emphasis on the political and economic ties which make the Western democracies a coherent force.
- We are cooperating with the European Community (EC) to find solutions to common problems we face throughout the world.
- We are working with our allies in the North Atlantic Treaty Organization to complete a vigorous appraisal of NATO's requirements, and we are relaunching our own defense effort in a way which moves NATO closer to the core of our activities.
- We continue to aim for more constructive relations with the Soviet Union and the states of Eastern Europe, though it is plain that the overall U.S.-U.S.S.R. relationship remains competitive.
- At the same time, we have made it unmistakably clear that American concern for human rights is not going to recede and that it is a factor which will have to be reckoned with seriously.

Western Solidarity

As the President said in his State of the Union message, we have moved to restore our traditional friends and allies

to the center of our foreign policy. It is our purpose to keep Western ties strong and to build outward from them to address the wider problems we must face together. International agencies and multilateral techniques are increasingly important in this effort. Nevertheless, the starting point and the heart of our diplomacy is to keep up the closest possible bilateral ties with our friends. We have been making a constant effort to do so.

Our relations with **Canada** are excellent, whether we look at Canada as our major trading partner, as our military ally, or as a participant in the affairs of this hemisphere. High-level visits between both countries, including Vice President Mondale's recent trip, have underscored our close bonds. We have a positive relationship with **France** based on mutual respect, which the President's recent visit did much to enlarge and dramatize. In the **Federal Republic of Germany** we have a strong, ably led ally committed to the unity of the Western alliance and to its defense of democratic values. Our ties to **Great Britain** are marked by a deep harmony of basic outlook and by active collaboration on many world issues.

We have drawn closer to our smaller allies and friends as well, in order to benefit from their strength and counsel. Consultations here by Prime Ministers Tindemans [Belgium] and Thorn [Luxembourg], and the President's visit to **Belgium**, exemplify this approach. We will be consulting closely with the Danish presidency of the European Community, in expectation that during its 6-month term, **Denmark** will provide not only sound Community leadership but through its presidency, an important channel for close U.S. cooperation with the EC on problems of urgent common interest. **Austria, Switzerland, and Sweden**, though neutral and not members of the EC, have maintained close, regular

contact with us at all official levels. There is a healthy resonance in these countries for our initiatives in the area of human rights, which accords so well with their own values and policies.

In the south of Europe, the continued progress of democracy in **Greece, Spain, and Portugal** is encouraging. Now that a new Portuguese government has been formed, we believe that Portugal will be able to move quickly to address its urgent economic problems, and the United States is prepared—with others—to be of help.

In the eastern Mediterranean, Secretary Vance had most helpful and comprehensive conversations in Ankara and Athens [January 20–22]. With regard to **Cyprus**, we welcome indications by Turkish Prime Minister Ecevit that the Turkish side is developing new proposals to provide a basis for resumption of the Cyprus intercommunal talks under auspices of the U.N. Secretary General. **Greek-Turkish** talks about the Aegean Continental Shelf are scheduled to resume February 12, and Greek Prime Minister Caramanlis has accepted in principle Ecevit's proposal for a summit meeting later this year. The strengthening of our bilateral and alliance relations with both countries is a high priority concern, and we continue to believe that defense cooperation agreements are a sound basis for building these relationships.

Much has been said recently about the political situation which has arisen in **Italy** as the result of the Italian Communist Party's demand for participation in the government. Our respect for the democratic process means that as a matter of principle the United States relies on the decision of the electorates concerned. However, as the President and other members of the Administration have stated, when it comes to the issue of Communist participation in West European governments, noninterference should not be understood as indifference or equanimity. We do not believe that Communist Parties may safely be trusted in national office to respect the principles and values which are the basis of democratic political life, and we are concerned about the effects of their accession to power on Western military security, political solidarity, and economic ties.

Economic Growth

The diminished appeal of governing parties in some parts of Europe is not only the result of special circumstances in each country concerned but is also part of a broader pattern involving a much-noted sense of malaise and lack

of negotiation, we think our record is a good one but will continue to press for improved results wherever possible. □

Published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Mr. Hormats is Deputy Assistant Secretary for Economic and Business Affairs.

¹ Members of the Organization of Petroleum Exporting Countries (OPEC) are Abu Dhabi, Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and Venezuela.

Statement before the Subcommittee on Taxation and Debt Management Generally of the Senate Committee on Finance on Jan. 23, 1978. The complete transcript of the hearings will be published.

of confidence. I believe there is a direct connection between such trends and the prolonged period of economic recession and drift we have experienced in the West. The question of how we can all enter a new period of sound general growth is, therefore, not only the most urgent economic issue of the day but relates closely to the problem of how to relieve many of the most disturbing social and political situations in Europe. Fortunately, however, this is an area where American action is welcomed.

At the economic summit last May, the United States and other advanced industrial states expressed commitment to joint action for recovery. There will be another summit this summer, preceded by a ministerial-level meeting of the Organization for Economic Cooperation and Development. American domestic economic policies are geared to keep recovery here moving. At present, we are one of the mainstays of recovery in the Western world, but we are not in a position to provide sufficient stimulus for the other industrialized countries by ourselves. The United States has been working with the Federal Republic of Germany and with Japan to find ways to assure a more balanced and more sustained approach to noninflationary economic growth. It is entirely natural that there should be differences of view. Nevertheless, the major Western economies are, in fact, attempting to develop along mutually supportive lines.

I think it would be hard to overstress the importance to this effort of maintaining liberal trade policies, despite temptations to resort to protectionism. One country cannot resort to beggar-thy-neighbor practices without inviting, and even forcing, other countries to do the same. Protectionism is a hazardous remedy in international economic relations, and once we start to employ it, experience during the Great Depression tells us a good deal about what we can expect.

The U.S.-Japanese trade communique released in Tokyo this month is an extremely hopeful indication that the dangers of the situation are understood and that the industrial economies will be able to find the basis for common positive action. Similarly, but on a still wider scale, it is apparent that participants in the multilateral trade negotiations (MTN) in Geneva also understand that delay invites disorder. We believe that an MTN agreement significantly liberalizing world trade can be completed by this summer, despite all difficulties.

Because energy is the foundation of our economy, it is vitally important

that the United States put into effect a national energy policy, to reduce American reliance on imported fuel and to assure timely action to adapt our economy to the longer term prospect of diminishing global oil reserves and higher energy costs. Such a program is not only necessary for us but is vital to maintenance of a healthy world economy.

Just as coal is to play a major part in our energy plans for the future, so nuclear energy will be of comparable importance to many of our friends in Europe. For nuclear energy expansion to progress on a sound basis, we must reconcile such growth with security and environmental requirements. The recently promulgated London Suppliers' Group guidelines and the agreement last fall to start the 2-year International Nuclear Fuel Cycle Evaluation are both important steps in this direction.

President Carter's visit to the headquarters of the Commission of the European Community [January 6]—the first by an American President—was his way not only of signifying the importance we attach to relations with the EC but of affirming continued American support for the goal of European unification. The EC as it stands is already our largest trading partner after Canada. We have run a trade surplus with the Community every year but one since its inception in 1957, and our direct investment in it is on the order of \$44 billion.

Beyond that, however, every American Administration since the end of World War II has believed that the way to a new period of sustained European dynamism is through the process of unification. This process has slowed, but it has not stopped. The EC has under consideration Greek, Spanish, and Portuguese applications for admission. Direct elections to the European Parliament are approaching. The question of monetary union is alive. Although the modalities for any of these steps are up to Europeans, it is important for us to make clear, as President Carter did, that we look to the European Community as a vital kindred force.

Military Security

I know how familiar you are with our conviction that the Atlantic alliance is of cardinal importance to our security. In the face of growing Soviet military power in Europe, it is as necessary now as at any earlier time for the United States and the countries of Western Europe to look to our defenses. The United States has reaffirmed its support for NATO's basic strategic doctrines of deterrence, forward

defense, and flexible response. However, we have also made it clear that we believe the alliance needs to carry out improvements in the structure and composition of its forces to insure the viability of this strategy.

The President gave early proof of his support for such an effort by requesting an additional \$500 million for NATO purposes in his FY 78 budget. Expenditures pertinent to NATO will increase in FY 78 by 3%, in accordance with guidelines agreed to in the alliance. Last May, at the London summit, the President proposed a four-point agenda which is now a vital part of the alliance's overall schedule. Looking toward the pending NATO summit in Washington in May, we are making substantial progress on that program.

In order to improve our ability to deal with the opening phases of an attack, we have developed an approach based on more antitank capabilities and a better positioning of military stocks. This approach is being implemented. With the Federal Republic of Germany's cooperation, we are relocating certain U.S. combat units to more northerly positions. These elements are the spearheads of a force which could be rapidly expanded and will significantly improve NATO's first line of defense in a critical area. The President also announced, in his visit to the North Atlantic Council on January 6, that there would be an 8,000-man increase in Army manpower in Europe. His FY 79 budget clearly reflects a new priority for NATO. We expect that allied defense investment will also register gains.

To improve cooperation in the development, production, and procurement of defense equipment, we are pressing on with a dialogue between ourselves and the Canadians and other European allies. We hope to have concrete results from this process, recognizing that it can lead to increased overall combat effectiveness at any given level of investment. The advancement of military technology has been rapid, moreover, that the alliance has decided it needs and is making a major effort to delineate sound plans for the longer term. Meanwhile, as a logical complement to this effort, the alliance is well into a major assessment of trends which may affect the Soviet Union and its allies, and their possible implications for NATO.

While looking to our defenses, the alliance is also continuing its effort to improve military stability and security through arms control. The talks on mutual and balanced force reduction (MBFR) are being seriously pursued in Vienna. Over the past year, we have engaged the Warsaw Pact in a discussion

ion of manpower data, aimed at reaching agreement on the relative size of forces deployed in the area of which the MBFR negotiations are focused. There are great difficulties in the way of an agreement, but we hope the Soviets and their allies will show readiness to work constructively on the problem of manpower data.

As the outlines of a SALT II Strategic Arms Limitation Talks agreement become more distinct, we are increasingly consulting with our allies to make sure that their informed views on the negotiations are available to us and that there is a consensus in NATO which supports our approach to issues of special concern to Europeans. Although SALT is a bilateral negotiation with the Soviets, the United States views it within the context of overall Western security requirements. We understand that very fundamental interests of our allies are involved, and we are determined that SALT II will do nothing to prejudice our collective security. Looking beyond SALT II, we expect to be working with our NATO allies to resolve questions about force posture requirements over the next decade.

Our planning, however, must be strongly influenced by the fact that Soviet and Warsaw Pact forces continue to grow in numbers and in technological sophistication. Experts in the West have differing views about the meaning we should attribute to this process when we try to assess ultimate Soviet intentions. It is clear to all, in any case, that the Soviet Union is layering new and more powerful systems on top of existing, already ample, capabilities. U.S. and NATO policy offers the Soviet Union an alternative to its long-established pattern. What needs to be kept in mind, however, is that if such a shift in Soviet policy does not take place, the alliance has the resources to meet the challenge. Clearly, the critical variable is not in the area of wealth or technology but political morale. As the President said in Paris on Jan. 4]:

Our central security system today . . . is maintaining our will to keep the military strength we need, while seeking . . . every opportunity to build a better peace.

East-West Relations

Since mid-year, U.S.-U.S.S.R. relations have shown some improvement, especially in the area of arms control. SALT is making progress and chances for a treaty this year are good. I have already referred to the status of MBFR. Serious work is underway between the United States, the United Kingdom,

and the Soviet Union on a comprehensive test ban. Good progress is being made in U.S.-Soviet negotiations on a chemical weapons treaty. The Indian Ocean talks have also been marked by a businesslike and technically well-developed Soviet approach, although events in the Horn of Africa raise questions concerning Soviet purposes.

We have just completed an exploratory round of discussions with the Soviets in Washington on possible forms of supplier restraint and cooperation to reduce the flow of conventional weapons to many parts of the world. Meanwhile, the Soviet Union has, for some time, been a strong supporter of nuclear nonproliferation efforts and has—despite differences over tactics—acted vigorously as a member of the International Atomic Energy Agency's Board of Governors and in the London Suppliers' Group. The Soviet Union is also a full participant in the International Nuclear Fuel Cycle Evaluation.

The United States has 11 formal scientific programs of joint cooperation with the Soviet Union. We value these not only because of their practical worth but because they are also the basis for a broad network of professional and official contacts with a society which once was almost impermeable to the outside world. This month, at the invitation of Congress, a large group of Soviet parliamentarians began a visit to the United States, which exemplifies the possibilities we now have for conveying to influential Soviet citizens a more accurate perception of our country and of its purposes.

The gradual development of U.S.-Soviet trade is beneficial to both sides. Our exports to the U.S.S.R. were down last year, but we still enjoyed a favorable trade balance of well over \$1 billion. The Administration will continue to consult with the Congress on the question of how and under what conditions we should move to normalize economic relations. It is important to keep in mind, however, that Soviet economic interdependence with the world economy is already at the point where neither they nor we can be disinterested in and unaffected by developments in each other's economic systems. A vigorous Western economy is of increasing importance to the Soviet Union, to the extent that the latter's plans for development depend on access to Western technology and on hard currency earnings from exports to the West or on Western government-backed credits.

While there are areas where U.S. and Soviet interests overlap in complementary fashion there are many others where the relationship remains

adversary and competitive. Human rights will continue to be a major source of disagreement, since our differences of view are the consequence of profoundly diverging philosophies, political structures, and historical experience. At the Review Meeting of the Conference on Security and Cooperation in Europe (CSCE) in Belgrade, we and our allies, with support from neutral and nonaligned participants, have conducted a full, candid, but non-polemical discussion of the record of all the signatories of the CSCE Final Act in implementing its provisions. We have used this opportunity to drive home to the Soviet Union and to the Eastern European states the importance of human rights in East-West political relations and to underscore the fact that human rights are a legitimate subject for international consideration.

In Eastern Europe, we seek more normal relations. We do not foresee dramatic changes in the character of relations between any of the states in that region and the West generally, or with the United States in particular. The United States will, however, be responsive to any state which evidences a desire to help moderate the competitive aspects of East-West relations and to states whose human rights practices show sensitivity to their obligations as signatories to the CSCE Final Act.

The President's visit to Warsaw and the return of the Crown of St. Stephen to Hungary demonstrate the potential for gradual progress. We expect to continue our fruitful economic and political ties with Romania.

Relations with nonaligned Yugoslavia have been strengthened by Vice President Mondale's visit there last May; from meetings which Edvard Kardelj—who is a member of the Yugoslav Presidency—had with President Carter, the Vice President, and other officials and Members of Congress during a visit to Washington last fall; and from Defense Secretary Brown's talks with Yugoslav leaders. Consultations with Yugoslavia on the Middle East, Africa, international economic issues, and other matters have been frank, illuminating, and helpful in charting U.S. policy toward the nonaligned and developing countries. □

Statement before the Subcommittee on Europe and the Middle East of the House Committee on International Relations on Jan. 31, 1978. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Mr. Vest is Assistant Secretary for European Affairs.

HUMAN RIGHTS:

The Diplomacy of the First Year

by Warren Christopher

I am delighted to be here today among so many old friends. Last August, I had the good fortune of addressing the Gavel Awards luncheon at the American Bar Association convention.¹ On that occasion I discussed the principles that guide one of the most important foreign policy initiatives of the Carter Administration—the human rights policy.

Today, after 1 year's experience with that policy, I would like to talk about how those principles have been put into practice—to talk about the diplomacy of human rights.

Before doing so, let me remind you that our policy concerns three categories of rights:

- The right to be free from governmental violations of the integrity of the person;
- The right to fulfill one's vital needs such as food, shelter, health care, and education; and
- Civil and political rights.

In his inaugural address, President Carter set the tone for a foreign policy based firmly on our values as a nation. "Because we are free," he said, "we can never be indifferent to the fate of freedom elsewhere."² In this single sentence, from which so much has flowed, the President was expressing an old and sometimes ignored truth with new vigor.

Our strength as a nation and our magnetism to the world at large are predicated on our commitment to human rights. It is only proper that the human rights considerations so important to our national life be reflected in our international life as well. This means they must be fully integrated into our diplomacy.

The pursuit of this cause is not an ideological luxury cruise with no practical port of call. Our idealism and our self-interest coincide. Widening the circle of countries which share our human rights values is at the very core of our security interests. Such nations make strong allies. Their commitment to human rights gives them an inner strength and stability which causes them to stand steadfastly with us on the most difficult issues of our time.

In this first year, I have been impressed by what a subtle, creative, and flexible process diplomacy can be in

advancing the cause of human rights. Diplomacy is not just words—though words can be highly effective. It is also an impressive variety of intangible symbols and gestures, as well as tangible measures.

Diplomacy can be a rich mix, indeed. In the case of our human rights objectives, we have evolved a mix that is proving effective.

Capsule View of the Diplomacy

Frank Discussion. The primary ingredient of human rights diplomacy has a seeming simplicity: We frankly discuss human rights in our consultations with foreign diplomats and leaders. An obvious technique, yes. Just words, yes. But I must tell you that many of us have been amazed at its effectiveness.

A career Foreign Service Officer told me recently that until last January it would have been unusual for our ambassador to raise with the leader of another country, in face-to-face conversation, the fate of political prisoners. Our diplomats tended to shy away from direct high-level dialogue on such sensitive human rights issues.

That has changed. Time after time in the past year we have had such conversations. And very often these very frank discussions have led to beneficial results. Sovereign governments have reexamined conditions in their capitals and provinces, and releases of prisoners and other positive actions have followed.

When we raise human rights with another government, we take an affirmative stance. We explain that our people, our Congress, and our government are deeply troubled by the human rights abuses we believe to be occurring. And we ask for the other government's assessment of the situation and the prospects for improvement. Sometimes, it is true, the response is truculent and defensive. Sometimes, we are charged with "intervening" in the internal affairs of another sovereign state.

But much more often, the response is a real effort to join issue on the merits. Frequently, there is candid acknowledgment of the validity of our interest—an interest rooted in solemn international agreements that make the way a government treats its own citizens a matter of legitimate international concern.

Just as frequently there is disagreement over the degree and the causes of the problem. It is often asserted, for example, that terrorism justifies repression. But usually these differences in perspective are overtaken by a consideration of possible improvements. By consideration, for example, of whether

- Those held without trial, often incommunicado and for lengthy periods, can soon be released or at least charged and tried;

- The return to civilian rule can proceed on schedule; or

- Those responsible for mistreating prisoners will be prosecuted.

Sometimes we achieve explicit understandings on such issues. More commonly there is an implicit recognition of the need for improvement and for further consultations as the situation evolves. Either way, the raising of the issue has profound significance. Rather than being conveniently ignored, human rights abuses are brought to the center of the diplomatic interchange. There, they must be addressed.

I believe the almost geometric increase in world awareness of human rights issues is perhaps the major accomplishment of our human rights diplomacy. This new consciousness not only helps curb existing human rights abuses, it also acts as a deterrent to new violations.

Symbolic Acts. The words of human rights diplomacy can effectively be joined with symbolic acts. For example, trips to other countries by our senior officials and official invitations to the leaders of other nations to visit the United States can be used to advance our human rights objectives. Such visits can mark our recognition that a country has an outstanding human rights record or provide the opportunity to discuss human rights problems with the leader of a country where improvements are urgently needed.

There are a host of other measures that can be used symbolically to send the desired signal, such as: cultural and educational exchanges; selection of the site of international conferences; the level of our representation at diplomatic events; port visits by our fleet. Carefully used, such symbols and gestures can help advance the cause of human rights.

There is also significance in our willingness to meet, on appropriate occasions,

tions, with opposition leaders from countries with serious human rights problems. My colleagues and I have met with a number of such leaders in Washington—including some who are living in exile from their homeland. And abroad, our ambassadors regularly meet with opposition leaders.

These meetings enable us to hear both sides of the story, to learn how a human rights problem is seen by those directly affected, and to demonstrate that we are concerned about all the people of the country involved, not just those in power.

Public Comment. Beyond private diplomatic discourse and important symbolic steps, the diplomacy of human rights must sometimes include criticism of regimes implicated in serious human rights violations.

Public comment by our government is an official act that directs the attention of the entire world to the objectionable practices of another government. We believe that such criticism can have some inhibiting effect on such governments. We do not generally prefer this approach but neither will we shrink from it.

Needless to say, public comment has been our first line of approach with respect to countries like Cambodia and Uganda, where we have little or no diplomatic contact but yet where unspeakable violations of human rights are occurring as a matter of deliberate state policy. We deplore these policies. We hope other governments which have the contact that we lack can make known the extent of international concern and bring about improvements.

We have also, of course, spoken openly and forthrightly at the Belgrade meeting that has been reviewing implementation of the Helsinki Final Act.³ That document contemplates a full and frank review of whether the signatories have lived up to their human rights commitments. It is clear that the Soviet Union and the East European countries, in varying degrees, have not done so. We have not hesitated to say so publicly, to request an explanation, and to seek compliance.

Our comments and those of West European governments have helped sustain the Helsinki accord as a living force in the cause of human rights, an engine for keeping constant pressure on governments to respect the rights of their people. Our silence would have effectively permitted that force to fade away.

In speaking of our public efforts, I should note that we are actively using our public diplomacy tools such as the U.S. Information Agency to convey

our human rights concerns to various nongovernmental audiences abroad. The Voice of America has increased its attention to these issues. Our embassies and offices abroad have organized seminars in which thoughtful Americans can directly express their human rights concerns to people from similar walks of life in foreign countries.

Our human rights initiative has given recognition and a new stimulus to the longstanding efforts of private nongovernmental organizations in this field. We applaud these endeavors and recognize that over time they may well outdistance any governmental effort.

Appropriate Action. When our relationship with another government includes economic and military assistance, we are prepared to take tangible steps to recognize good human rights performance or to manifest our concern over human rights violations. When appropriate or necessary, in other words, we will support our words with actions. In taking such steps, we are guided and strengthened by important legislative provisions enacted by a Congress overwhelmingly committed to the cause of human rights.

Taking due account of the needs of the poorest, we have made a fundamental decision gradually to channel a growing share of our economic assistance to countries that respect the human rights of their people.

On the other hand, when countries we assist consistently curtail human rights, and where our preferred diplomatic efforts have been unavailing, we must consider restrictions on the flow of our aid, both overall levels and individual loans or grants. Thus, over the course of the past year we have, for example:

- Deferred bilateral economic assistance to certain countries;
- Opposed loans by the World Bank and the other international financial institutions to countries that engage in flagrant violations of human rights; and
- Taken steps to insure that food aid provided to countries with serious human rights problems will reach the needy.

We have also advised other departments of the government on human rights conditions abroad that may affect their activities. For example, a recently enacted statute calls for the Export-Import Bank to take human rights considerations into account, and the Bank regularly seeks advice on this issue.

Human rights performance is also an important factor in our decisions on military assistance and commercial arms sales subject to government licensing. We have reduced or declined

to increase our military aid to a number of countries and refused to issue licenses in a variety of instances.

The diversity of cultures and the different stages of economic and political maturity tend to produce agonizing, almost incredibly complex, choices in granting or withholding aid. Moreover, human rights, while a fundamental factor in our foreign policy, cannot always be the decisive factor. But the difficulty of the decisions will not deter us from supporting our words with action.

International Support. It is important to note that we are not alone in pursuing the diplomacy of human rights. Increasingly, other governments are standing with us. In the United Nations, in the Organization of American States, and in other contexts we have strong partners in the cause of human rights. Recently, we initiated consultations with our West European allies and others on how to promote broader international cooperation in support of human rights. In general, we are finding strong support for giving human rights a higher priority in international relations.

Human Rights Data Base. As I reflect on the first year of human rights diplomacy, there is one area in which I would like to ask for the creative thinking and counsel of this great association. I refer to the need I perceive for an objective, authenticated data base on human rights conditions in all countries.

Let me put the problem in perspective. With the aid of our embassies around the world, we are constantly trying to gather reliable and extensive human rights data. Nevertheless, the validity of our information on human rights conditions in other countries is frequently challenged. Probably it is inevitable that the data collected by any one country would be suspect. Coverage is bound to be limited, and there may be the suspicion that the collecting country has an ax to grind.

What is needed is an objective, widely respected clearinghouse for human rights information on all countries of the world. This would be an important resource for us and others interested in taking human rights conditions in other countries into account in policymaking. It would thus both inform our decisions and authenticate the existence and severity of human rights problems.

Perhaps you will be able to suggest how such a clearinghouse might be created. It is clear that it must be international in scope. What is not so clear is whether it should be sponsored by a private organization or by a group of countries or an international organiza-

tion. Once created, I could visualize that such an entity might also play an important educational role in improving human rights conditions around the world. We stand ready to help in creating such an organization.

U.S. Concerns

This then is a capsule view of the diplomacy of human rights. It is a diplomacy that refuses to "be indifferent to the fate of freedom elsewhere." It is a diplomacy that has permitted the United States to seize the initiative for human progress once again. Surveys conducted abroad have shown time and time again that the renewed interest in human values expressed by the President and implemented by our diplomatic efforts has had an enormously positive impact on the view people in foreign countries hold of America and our role in the world.

We are daily concerned with our government's response to human rights conditions in other countries. But our credibility—and indeed the inner health of our society—depends upon facing up to our problems here at home and seeking to improve our own human rights situation.

Much of President Carter's domestic program is directed toward the enhancement of the human rights of Americans. Proposals for welfare reform, efforts to cut the cost of health care, and the commitment to full employment are obvious examples. We should also note that, within the past year, travel restrictions for American citizens abroad have been eliminated, and visa requirements for foreigners coming to this country have been significantly eased.

It is well to remember that we are far from perfect. Our ample due process with all its guarantees does not afford perfect justice. But whatever our shortcomings, they are faced frankly and openly. The three constitutional branches of government have the responsibility to do so. And the "fourth branch" is there to insure that that responsibility is met.

Progress to Date

In making human rights a fundamental tenet of our foreign policy and greatly increasing sensitivity to human rights concerns, we have helped to create an atmosphere in which human rights progress is much more likely to occur. We do not take credit for particular improvements, but we note the tangible evidence from every continent that the condition of large numbers of people—of individual, identifiable

human beings—is less oppressive now than it seemed one year ago.

Africa. There have been releases of substantial numbers of political detainees; for example, Sudan, Nigeria, Upper Volta, Mali, and Ghana are moving toward reestablishment of civilian governments. Most African leaders have intensified their efforts to promote agricultural development. Nigeria and other African nations are supporting creation of an African human rights commission under U.N. auspices.

Near East. Morocco moved toward political liberalization after nearly a decade of rule by decree. Restrictions on freedom of the press were lifted and significant numbers of political prisoners were released. Tunisia authorized establishment of the Tunisian League for the Rights of Man which has been permitted to investigate allegations of human rights violations. Iran released a substantial number of political prisoners and agreed to a visit by the International Committee of the Red Cross (ICRC).

South Asia. There was in India a magnificent resurrection of democracy. Nepal released political prisoners and lifted newspaper curbs. Sri Lanka changed its government for the sixth time since independence through the free choice of its people. Pakistan released over 11,000 political prisoners.

East Asia. The Indonesian Government released 10,000 political detainees, confirmed its intent to release 20,000 more in accordance with its previously announced release schedule, and agreed to resumption of ICRC visits. South Korea released all but one of the Myong Dong prisoners—opposition political and religious leaders who had opposed the government. The Philippine Government eased some of its martial law restrictions and released some detainees. The new Government of Thailand has eased press restrictions, improved trial procedures, and stated its intent to seek general elections early next year.

Latin America. Political prisoners were released in Haiti, the Dominican Republic, Paraguay, Argentina, and Peru. The military governments of Peru, Ecuador, and Bolivia announced that elections will be held in 1978. States of siege were lifted in El Salvador and Nicaragua. Most Latin American governments have allocated increased resources to improving the living standards and productivity of their poor farmers. Some restrictive laws have been repealed in Panama. And El Salvador, Haiti, and Paraguay agreed to visits by the Inter-American Commission on Human Rights.

Europe. For the first time in NATO's history, every member of the alliance is a democracy. New churches have been constructed in Poland. Certain countries of Eastern Europe have eased their restrictions on emigration and family reunification. Some human rights activists in Poland and Romania have been released from prison. An live television program in Hungary have allowed prominent Westerners to voice their views on political issues.

Problems

Despite these many improvements and others like them, the fact remains that the distance covered is dwarfed by the distance that remains to be traveled. I could recount in detail the retrograde human rights developments of the past year, as well as the horrendous human rights violations that persist across the globe—in many of the countries I have just mentioned as well as elsewhere.

- Suffice it to say that in all quarters of the world, too many people are still subject to torture and are suffering in squalid prisons, uncharged and untried.

- Too many people are hungry, have inadequate shelter, and lack medical care and educational opportunity.

- Too many people are living under martial law or are otherwise barred from political participation.

- Too many are denied the right to emigrate or even to travel freely within their own country.

These problems are the challenges of the future. They will not be solved easily. But our experience with 1 year of human rights diplomacy convinces us that while the journey is long it is not impossible.

Of course none of us can know for sure where the progress of human rights may lead. But every so often during the past year, as I have struggled to understand the deep meaning of human rights, I have felt a fleeting intimation of what untold spiritual and material riches may lie ahead—perhaps centuries ahead—in a world of true universal human freedom. Justice Holmes perhaps had a similar feeling—and certainly expressed it much better than I ever could—when he said:

I think it not improbable that man, like the grub that prepares a chamber for the winged thing it never has seen but is to be—that man may have cosmic destinies that he does not understand. And so beyond the vision of battling races and an impoverished earth I catch a dreaming glimpse of peace.

I think that in the last analysis the

cause of human rights has power and will succeed because, no matter what the obstacle, it tenaciously allows the world's people to "catch a dreaming glimpse of peace." □

Address before the American Bar Association in New Orleans on Feb. 13, 1978; Mr. Christopher is Deputy Secretary of State.

¹ For text of address, see BULLETIN of Aug. 29, 1977, p. 269.

² For full text, see BULLETIN of Feb. 14, 1977, p. 121.

³ For an outline of the Conference on Security and Cooperation in Europe (CSCE) Final Act, see BULLETIN of Sept. 26, 1977, p. 405; for full text of the CSCE Final Act, see BULLETIN of Sept. 1, 1975, p. 323.

Indochinese Refugees

by Patricia M. Derian

I appreciate the opportunity to appear before the committee today to support the Department's recommendation for the parole into the United States of an additional 7,000 Indochinese refugees who have escaped from their homeland by boat. When the Department testified in August in support of a parole for 15,000 Indochinese refugees,¹ we had hoped that number would suffice until consultations could be held and agreement reached with the Congress on a long-term plan for dealing with the problem of Indochinese refugees.

Unfortunately, the rate of escape of refugees—those fleeing by land and by small craft—was rising dramatically in August even as we were consulting on that parole. We cited a rate of escape of 500 per month by sea and 1,200 per month by land. In the August-December period, escapes ranged from 1,000 to 1,500 per month by sea and about 3,000 per month by land.

This sharp increase has had an extremely negative effect on the attitudes of countries in the region, especially that of Thailand. With a present camp population of 95,000 Indochinese refugees, a substantial additional number interspersed in the population and a steady flow across the Mekong from Laos, the attitude of the Thai Government has become increasingly negative.

While the government has not actually returned refugees forcibly, they have instituted a separate camp system for refugees arriving after November 15, 1977. These refugees are not placed under the care of the U.N. High Commissioner for Refugees (UNHCR), and the Thai Government has announced plans for the screening of these refugees to determine whether they are political or economic refugees. While it is not clear that those categorized as economic refugees would be forcibly repatriated, the new system is indicative of Thai concern

and of the precarious position of the post-November 15 refugees.

For our part, we believe it would be extremely difficult to separate political and economic refugees from a flow of refugees fleeing a country in political turmoil as the new Communist government reorders the society in its image. Further, regardless of the motive for escape, the forcible return of such refugees would surely subject them to persecution.

The Thai reaction to the increased flow of boat refugees was even sharper. When we testified in August, we felt we had adequate numbers to cover all refugees stranded on the beaches of Southeast Asia and that the plans of other countries to accept some of these refugees would provide a breathing spell during which consultations with the Congress on the long term could take place. When the rate of escape by boat rose to 1,500 per month, however, this breathing spell was lost and while the boat refugee population has dropped some, it remains relatively high.

In November the Thai began to hold larger refugee boats off shore and by the end of that month had forced boats carrying a total of 255 refugees back to sea. Other boats with additional refugees were also turned back, but when the boats proved unseaworthy the refugees were let ashore. The Malaysian Government, with a large and growing caseload of about 3,000 boat refugees also began to stiffen its attitude, it became apparent that an interim parole would be needed while a long-term approach to the problem is being worked out with the Congress.

Although we have also identified additional refugees who have escaped by land who we believe would have been eligible under previous programs, we are limiting this parole proposal to refugees escaping by boat. This is because of the desperate situation in which the boat refugees find themselves and the interim nature of the parole. There are

currently about 5,000 boat refugees in Southeast Asia without resettlement offers. The escape rate is uncertain—with worsening weather in the South China Sea, it has dropped off in the last month to about 1,000. In light of the plans of other countries, we expect that a parole of 7,000 boat refugees will give us a period of a few months during which consultations with the Congress can be carried out on a long-range program.

International Participation

I know that you will be interested to know how we have fared in our efforts to increase international participation in the Indochinese refugee problem since we testified before this committee in August. We have not been idle and, in fact, we have had some success. Department officials visited Ottawa and Paris to discuss this problem with officials there. Our embassies have made bilateral approaches to a number of other countries of traditional resettlement.

- The French program continues as a major factor in meeting this problem, accounting for about 1,000 refugees per month—most from the inland camps holding refugees from Laos and Cambodia but also increasing numbers of boat refugees.

- The Canadian Government has renewed its commitment to the Indochinese refugees with plans to accept 50 families a month in addition to their existing program for up to 2,000 Indochinese refugees.

- The Australians have taken about 2,600 boat refugees in the past 5 months and plan to continue taking substantial numbers.

- We have also made efforts in international forums.

The UNHCR in late September issued a formal appeal through the Inter-Governmental Maritime Consultative Organization to international merchant ships to pick up refugees in distress at sea. In October the UNHCR executive committee adopted unanimously, at our initiative, a recommendation calling on the High Commissioner to renew and continue to strengthen his efforts to obtain resettlement offers for the Indochinese refugees.

A similar U.S. initiative at the November meeting of the 33-member council of the Inter-Governmental Committee for European Migration (ICEM) in Geneva resulted in a unanimous resolution by the delegates of ICEM's governing body to promote the cause of assistance to Indochinese refugees. We have also taken this matter up with NATO members during the re-

cent council meeting, urging our allies to increase their contribution to the solution of this problem.

On January 31, a regional meeting in Kuala Lumpur has been called by UNHCR representative Sampat Kumar, inviting representatives of 13 nations involved in this problem. We are hoping that this meeting will not only prove useful for coordination purposes but also in stimulating new resettlement opportunities.

As you know a new High Commissioner for Refugees, Mr. Poul Hartling, has just been elected. On my return from visiting the refugee camps in Thailand last week, I called on the High Commissioner in Geneva to urge on him the seriousness with which we regard the charge of the executive committee to the High Commissioner to actively support the resettlement of Indochinese refugees. We will continue to discuss with the High Commissioner ways of increasing international participation in meeting this problem both with financial assistance and resettlement opportunities. We remain open to the possibility of an international conference on Indochinese refugees but we continue to believe that the initiative for such a conference should come from the High Commissioner.

Finally, we have been very active both bilaterally and through international organizations to urge countries of first asylum to allow these unfortunates to have temporary asylum. This has always been difficult, but we have had, for the most part, at least a tenuous and fragile success in this respect. We must remember always, however, that these countries will only accept boat refugees for so long as they are certain that their stay is temporary and this, in turn, hinges on the adequacy of permanent resettlement offers.

In this connection, Deputy Secretary [Warren] Christopher discussed with Prime Minister Lee [Kuan Yew of Singapore] the possibility of a temporary asylum center for Indochinese refugees in Singapore. He agreed to such a center under UNHCR auspices, but, as I found in my discussions in Singapore, he requires that the UNHCR have in hand adequate advance guarantees from countries of permanent resettlement to assure that the refugees' stay is temporary. It has not yet been possible to work this out, but we are hopeful that it will be since such a center could have a major effect on the decisions of shipmasters to assist refugees in distress at sea. We continue to get reports of ships passing by such refugees, no doubt to a considerable degree because their next port-of-call is Singapore where such refugees cannot presently be landed.

Long-Term Policy

While the present hearing concerns the proposal to parole 7,000 Indochinese boat refugees on an interim emergency basis, it is difficult to discuss this problem without alluding to its longer range aspects. If you would permit, therefore, I would like to sketch briefly our preliminary thoughts on the longer term problem.

Central to the formation of a long-term policy is agreement on the nature of the commitment which we wish to make. In this respect, the Interagency Task Force recommended last fall that such a commitment must be expressed in terms of classes or types of refugees rather than numbers. As we have seen, escape rates rise and fall. This is, in fact, generally true and is not unique to the Indochinese refugee program. While for planning purposes we must make forecasts, these are largely unreliable. Therefore, we have identified two classes of refugees which we and the Congress have agreed in the past should receive assistance from the United States.

The first of these consists of refugees who have escaped by boat and for whom no other valid resettlement offer exists. We believe that other countries operating resettlement programs will continue to make their contribution in cooperation with us. Indeed, we believe continued resettlement by the United States will encourage a high rate of third-country offers. The UNHCR will have to be called upon to help assure that full coordination of national programs is achieved in order that third-country offers receive maximum utilization. Already, we have enforced the rule that refugees offered resettlement elsewhere are automatically ineligible to come to the United States unless they have close relatives here.

But, in the final analysis, we have in recent programs, dealing with refugees escaping by boat, felt that we must take those, not ineligible under the Immigration and Nationality Act, who are not offered resettlement opportunities elsewhere. As we said in August, when testifying on the earlier parole request for 7,000 boat people of the 15,000 total, we did not believe restrictive criteria should be applied. We do not recommend it in the current proposal for 7,000 additional boat refugees and do not believe they should be applied in the future.

The second group of refugees whom we have helped in every program to date are those selected refugees, escaping by land, who have close relatives in the United States or who have a demon-

strated past association with the United States for which they were disadvantaged in their homelands under the new governments. This group would be drawn almost entirely from the camps of Thailand. Restrictive criteria are necessary and while we believe they should be roughly similar to those applied in past programs, we look forward to discussing them further in consultations in the hope that they can be more clearly defined.

In considering how to deal with this problem, the Interagency Task Force noted that there were two major ways of dealing with the entry into the United States of those refugees whom we wished to support. One would be through the exercise of the Attorney General's parole power either by continuing the present ad hoc emergency paroles or through advance consultations on the expected flow over the following year. The present procedures are very unsatisfactory because they require that an emergent refugee situation reach a crisis stage before action is taken. Advance consultations could, however, prove quite a satisfactory way of dealing with a continuing flow of refugees toward whom the United States feels a special concern.

The second way of getting at the problem, of course, would be through legislation. The task force noted the possibility of special legislation to deal with this problem alone. It also noted the possibility of freeing conditional entry numbers from hemispheric limitations. While useful, this latter change would only free up an estimated 6,000 additional numbers annually and, thus, would be inadequate in the face of the refugee flow in Asia and Europe. We have also noted the possibility of seeking a solution for this and other refugee problems through H.R. 7175 submitted by yourself, Mr. Chairman [Joshua Eilberg of Pennsylvania]. While we have some reservations respecting certain points in H.R. 7175, the Department is working toward an Administration position which we hope will make agreement on new legislation easier.

The task force did not attempt to choose among these alternatives. After defining the groups of refugees to whom we have in the past extended assistance, the task force recommended that the type of authority for such assistance should be left for decision after consultations could be carried out with the Congress. We, therefore, look forward to pursuing this subject further with the staff and members of the committee and will be prepared to return for further testimony if further hearings are called.

Report on Parole Program

I would also like to take this opportunity to present to you a brief report on the implementation of the parole for 5,000 Indochinese refugees authorized on August 11, 1977. Almost all 7,000 boat refugees were selected and cleared by the Immigration and Naturalization Service (INS) officers by December. Of these, sponsors are now available for nearly 6,000 of whom over 3,500 have actually arrived in the United States. We expect all boat-case refugees will have entered the United States by the end of February. In view of the security and other requirements of the program and the fact that the refugees move directly from the camp in Asia to the sponsor in the United States, it takes some time to complete processing. The UNHCR, however, provides care and maintenance for the refugees during the waiting period and, once the United States can guarantee that a specific number of refugees will be taken, the host government is reasonably patient about the processing time.

With respect to the 8,000 land-camp refugees authorized in August, a more complicated process must be undertaken. A complete screening of 95,000 refugees in the Thai camps had to be completed in order to identify those qualified for the 8,000 numbers. Initial screening and identification of those with some claim to inclusion in the American program was made by voluntary agency personnel under contract to the Office of Refugee and Migration Affairs. This initial group was further refined by refugee officers qualified in the language of refugees concerned.

A last screening will be done on a case-by-case basis jointly by refugee officers and INS personnel prior to final interview and clearance by INS. Preliminary indications are that substantially more refugees than expected have close relatives in the United States and that up to 6,000 of the 8,000 land-camp refugees fall in this category. Preliminary findings also indicate that there will be a substantial number of qualified land refugees for whom space will not be available under the present program, perhaps some thousands.

The Immigration and Naturalization Service should complete the clearance of all land-camp refugees by March, and we hope all will enter the United States by the end of June. The voluntary agencies assure us that sponsorships continue to be available and that they feel this will also be true for the foreseeable future.

Department of State expenses for

MIDDLE EAST: Visit of Egyptian President Sadat

President Anwar al-Sadat of Egypt made an official visit to Washington February 3-8 to meet with President Carter and other government officials. Following are the texts of two statements issued by the White House.¹

FEB. 5²

President Sadat and President Carter have completed 2 days of extensive talks at Camp David in which they considered carefully the further steps necessary to achieve a comprehensive peace settlement in the Middle East.

this program will come from refugee emergency funds. As in the case of the parole presently being implemented, costs to the Department of State will amount to approximately \$900 per capita, made up of transportation costs incurred by the Inter-Governmental Committee for European Migration, costs of screening and processing abroad, and grants of \$300 per capita to the voluntary agencies for resettlement services. We estimate the total cost to the Department of State at \$6.3 million.

In closing, I wish to express our desire to move rapidly forward with the Congress toward a more orderly long-range method of dealing with this problem. This would certainly be more desirable for planning purposes. It would benefit the refugees. Above all, it would remove an important national concern from its present ad hoc treatment and place it on a solid base of mutual agreement as to our desired goals and means in helping these refugees. □

Statement before the Subcommittee on Immigration, Citizenship and International Law of the House Committee on International Relations on Jan. 24, 1978. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Ms. Derian is Assistant Secretary for Human Rights and Humanitarian Affairs.

¹ For text of statement by Assistant Secretary for East Asian and Pacific Affairs Richard C. Holbrooke on August 4, 1977, see BULLETIN of September 26, p. 411.

President Carter reaffirmed his conviction that the events set in train by President Sadat's initiative in going to Jerusalem have, after decades of conflict, opened the prospect of real peace in the Middle East.

The two Presidents are agreed that no obstacles must be allowed to prevent the achievement of a just and lasting settlement. They believe that an important beginning has been made in breaking through the psychological barriers to peace between Arabs and Israelis and that unremitting efforts must continue to overcome the remaining legacy of mistrust resulting from 30 years of conflict.

Recognizing the overriding importance of peace to the future of the Middle East and its peoples, they stressed the importance of maintaining the negotiating momentum generated over the past few months. Both Presidents recognized that their efforts in the cause of peace will be of fundamental importance not only for the immediate future but for generations to come. Their overriding conviction is that a peaceful solution must be found to spare the people of the Middle East the agony of another war.

As a result of their extensive talks, President Carter feels that he has a better understanding of President Sadat's concerns about the need for the peace process to move forward without delay.

He also took the occasion of these talks to explain in detail to President Sadat how the United States envisages its role and responsibilities in the peace process as a friend of both sides with a strong interest in peace and stability in the region. President Carter reaffirmed the commitment of the United States to play an active role in the search for peace and to redouble its efforts to insure that progress is made in the weeks ahead.

In the course of their long discussions, President Sadat and President Carter reviewed the reasons for the slow pace of progress and the factors which have hampered the achievement of substantive agreement. They found themselves in accord that efforts should remain focused on creating conditions which are conducive to the achievement of tangible results and the broadening of negotiations, looking toward the realization of a comprehensive settlement. To this end, the two Presidents examined ways in which

these objectives can be accomplished. They will further refine their views in the exchanges between their representatives over the next few days, as well as in their final meeting on Wednesday.

As part of their effort to continue the peace process, the two Presidents agreed that Assistant Secretary [for Near Eastern and South Asian Affairs Alfred L.] Atherton should return to the area in the near future to continue the work that has been underway, looking toward completion of a declaration of principles. They view such a declaration as an important step in establishing the framework for comprehensive peace in the area.

The two Presidents also discussed other issues of mutual concern to Egypt and the United States, such as the dangerous situation in the Horn of Africa.

Both President Sadat and President Carter expressed their satisfaction that the Camp David meetings had provided the opportunity for such thorough and fruitful examination of all aspects of the Middle East problem and had created a basis of mutual understanding and agreement for the continuing cooperation of their two governments in the search for peace.

FEB. 8

President Carter and President Sadat had a final meeting this afternoon.

President Carter and President Sadat continued their talks today in the same spirit of friendship and openness which characterized their stay together at Camp David over the weekend. The hours they have spent together, both alone and with their advisers, have provided the essential opportunity both sought for a relaxed and thorough review of the Middle East situation. They have concluded that the mutual trust and understanding between them, which were reinforced by these meetings, will be extremely useful in helping to maintain momentum toward their common goal of peace in the Middle East.

During the course of their meetings over the past 5 days, President Carter reaffirmed to President Sadat the broad principles which underlie United States participation in the search for that peace:

- The United States will remain faithful to its historic commitments to the security of Israel and to the right of every state in the area to live in peace within secure and recognized boundaries.

- Helping the parties achieve a negotiated comprehensive settlement of the Middle East conflict remains of highest importance in American policy, and President Carter will spare no effort in seeking ways to move the peace process forward.

- A peace settlement must go be-

yond the mere termination of belligerency. It must provide for the establishment of normal peaceful relations between Israel and its neighbors.

- The peace settlement should be comprehensive and should be embodied in peace treaties between Israel and each of its neighbors.

- The settlement must be based on all the principles of Security Council Resolution 242, including withdrawal of Israeli Armed Forces from territories occupied in 1967 and the right of every state in the area to live in peace within secure and recognized boundaries. Resolution 242 is applicable to all fronts of the conflict.

- There can be no just and lasting peace without resolution of the Palestinian problem.

The President reaffirmed what he said at his meeting with President Sadat in Aswan January 4: There must be a resolution of the Palestinian problem in all its aspects; it must recognize the legitimate rights of the Palestinian people and enable the Palestinians to participate in the determination of their own future.

President Carter also reaffirmed the longstanding U.S. view that Israeli settlements in occupied territory are contrary to international law and an obstacle to peace and that further settlement activity would be inconsistent with the effort to reach a peace settlement.

President Sadat affirmed that the

NOMINATIONS OF ATHERTON AND SAUNDERS

The President intends to nominate Alfred L. Atherton, Jr., to be Ambassador at Large with special responsibility for Middle East peace negotiations. Mr. Atherton is currently Assistant Secretary for Near Eastern and South Asian Affairs. To succeed Mr. Atherton in that position, the President intends to nominate Harold H. Saunders, presently Director of the Bureau of Intelligence and Research.

Mr. Atherton was born in Pittsburgh in 1921. He received B.S. and M.A. degrees in history from Harvard University. During World War II he served as an artillery officer with the U.S. Army in Europe.

Mr. Atherton was appointed a Foreign Service Officer in 1947 and has served in Stuttgart, Bonn, Damascus, Aleppo, and Calcutta. He has also served as Officer in Charge of Cyprus Affairs; Country Director for Lebanon, Jordan, the Syrian Arab Republic, and Iraq; and Country Director for Israel and Arab-Israel Affairs. In 1961 he was detailed to the University of



Alfred L. "Roy"
Atherton, Jr.



Harold H.
Saunders

California for advanced economic studies. He has been Assistant Secretary since 1974.

Mr. Saunders was born in Philadelphia in 1930. He received an A.B. degree from Princeton and a Ph.D. from Yale. He served in the U.S. Air Force for 2 years and was detailed to the Central Intelligence Agency. He remained with that Agency for 2 years following his release from active duty.

Mr. Saunders joined the National Security Council Staff in 1961, working on the Middle Eastern, South Asian, and North African area and became senior staff member for the area in 1967. In 1974 he became Deputy Assistant Secretary for Near Eastern and South Asian Affairs, concentrating on the Middle East. He has been Director of the Bureau of Intelligence and Research since December 1975. He participated in the Arab-Israeli negotiations of 1973-75 and has accompanied Secretaries Vance and Kissinger on most of their Middle East trips.

bor remains open to negotiations and at Egypt will continue to do its part assure continuity in this negotiating process in an atmosphere conducive to tangible progress.

The two Presidents also spent some time reviewing the current situation in the Horn of Africa and agreed that continuing conflict and instability there are of concern to them both. President Carter and President Sadat have agreed to consult with other countries on this matter.

Finally, the two Presidents committed themselves to remain in close personal touch through direct correspondence and diplomatic channels. In this way they are determined to insure continuing, full understanding between them both in the peace process and in bilateral relations between Egypt and the United States. □

Texts from Weekly Compilation of Presidential Documents of Feb. 13, 1978. For an exchange of remarks between President Carter and President Sadat at the arrival ceremony on the South Lawn of the White House on Feb. 3, see Weekly Compilation of Feb. 6, p. 274; for President Carter's remarks on returning from his meetings with President Sadat at Camp David, Feb. 5 and their exchange of remarks on the latter's departure on Feb. 8, see Weekly Compilation of Feb. 13, pp. 279 and 281, respectively.

List of U.S. and Egyptian participants in the meetings omitted.

Middle East Aircraft Sales

Secretary Vance

Consistent with our policy that arms transfers will be used to promote our national security and that of our close friends, I have recommended to the President and he has approved sales of certain aircraft to Israel, Egypt, and Saudi Arabia, subject to the usual congressional review. Next week we will begin the official process of informing and consulting with the Congress. The formal notifications will not be submitted until after the Easter recess in order to give Congress an opportunity to review fully the proposed sales.

These sales will be undertaken over a period of several years. Deciding to make the sales was a very complex decision, and I want to share our views on this matter with the American people.

Any new aircraft sales to this region must be seen in the context of both the

negotiating process and our objective of a peace settlement. We have considered carefully this aspect of the matter and concluded that our interests in Middle East peace and security will be best served if we go forward with some part of the aircraft sales requested by these countries.

Our commitment to Israel's security has been and remains firm. Israel must have full confidence in its ability to assure its own defense. In particular, this means Israel must be able to plan for the continued modernization of its air force. The President's decision gives particular emphasis to these points.

Egypt, too, must have reasonable assurance of its ability to defend itself if it is to continue the peace negotiations with confidence. When President Sadat made his decision several years ago to follow a course in foreign affairs that involved a change in his country's relations with the Soviet Union, he lost his major source of military equipment. This was particularly the case in Egyptian defensive aircraft capability. We believe we have a basic interest in responding to Egypt's legitimate needs.

Saudi Arabia is of immense importance in promoting a course of moderation in the Middle East—with respect to peacemaking and other regional initiatives—and more broadly in world affairs, as in petroleum and financial policy. The Saudi Government has a legitimate requirement to modernize its very limited air defenses. For several years, we and they have recognized the need to modernize their air force with an advanced interceptor. They have asked for a limited number of F-15's, the first of which would not be delivered for several years. We believe their request is reasonable and in our interest to fulfill.

We have concluded, therefore, that the sales of these aircraft to the countries in question will help to meet their legitimate security requirements, will not alter the basic military balance in the region, and will be consistent with the overriding objective of a just and lasting peace.

Accordingly, the Administration plans to notify Congress of our intent to make the following sales:

- For Israel, 15 F-15's, in addition to the 25 previously sold, and 75 F-16's;
- For Egypt, 50 F-5's; and
- For Saudi Arabia, 60 F-15's.

We will be signing contracts for these aircraft over the next several years. These sales will be consistent with the President's global arms transfer policy and will be within the dollar volume ceiling that he has established.

The details will be reported to Congress when the statutory notifications are provided.

All of these sales are directly supportive of our overall objectives in the Middle East. Members of the Administration will be testifying before a number of congressional committees in support of this package so that Congress will have full opportunity to make its judgment during the period of its review. □

Announcement of Feb. 14, 1978 (press release 75 of Feb. 14).

Israeli Settlements

With reference to the allegation that the United States did not object seriously to the latest Israeli settlements, the chronology is as follows.

• On January 5, 1978, Prime Minister Begin and Foreign Minister Dayan informed the U.S. Ambassador in Israel of Israeli settlement plans in the Sinai and the West Bank.

• On January 6 the Administration sent a strong reply to Prime Minister Begin's and Dayan's January 5 information. The reply expressed our concern about new settlement reports, particularly those of the Sinai. This reply was in the form of a personal message from the President—dispatched from Air Force One.

• On January 9 Prime Minister Begin informed the President of his government's decisions concerning Israeli settlement activities in the Sinai and the authorization of four new settlements in military sites on the West Bank.

• On January 10 the President sent a letter to Prime Minister Begin responding to his letter of the 9th, restating our concern about the settlements and the effect they would have on the peace process.

• On January 23 a number of Gush Emunim settlers declared that a permanent civilian settlement would be erected at Shiloh.

• On January 27 the President sent a short message to Prime Minister Begin regarding the Shiloh settlement and restating the U.S. position. □

Made available to the press by the Department of State in early February 1978.

SCIENCE AND TECHNOLOGY:

Technology Transfer Policies

by Joseph S. Nye, Jr.

The subject of technology transfer has become increasingly important in international economic affairs in recent years. The U.S. Government and the various elements of the private sector—industry and labor—are concerned about the subject. This is certainly evident from the interest in this 2-day meeting. The subject has also received much attention in meetings of international organizations like the U.N. Conference on Trade and Development (UNCTAD), the U.N. Industrial Development Organization, the U.N. Commission on Transnational Corporations, and the Organization for Economic Cooperation and Development (OECD). Our policy is currently being reviewed in an interagency study by the executive branch in response to a request by the President. We expect the first part of this review to be completed early next year.

Technology transfer occurs through a diverse set of mechanisms and in a variety of situations. For example, East-West, North-South, and West-West conditions of technology transfer are all quite different. Any general description of our policy can only define the central trend, not describe each situation.

By and large the government takes a neutral position in regard to the largest part of technology transfer—that is, virtually all except East-West transfer and that involving military technology. Most American technology is transferred across international boundaries through private trade and investment by American corporations. Thus the fundamental policy of the U.S. Government toward technology transfer derives in the first instance from its attitude toward international investment—that is, to neither promote nor discourage inward and/or outward investment flows or activities.

The government ideally tries to avoid measures which would give special incentives or disincentives to investment flows and normally does not intervene in the activities of individual companies regarding international investment. This principle of neutrality flows from our longstanding commitment to a generally open international economic system, and to a considerable

extent it covers the transfer of technology. But the exceptions are sometimes as important as the rule, and the underlying philosophy is somewhat more complex.

The basic philosophy of an open international economic system that underlies our policy toward the largest component of technology transfer assumes a positive sum game—that all nations are better off as a result of the transfers that occur. There is a strong logic behind this position. The logic is strongest in relation to technology flows among developed countries. But a number of problems arise in East-West and North-South transfer of technology. To understand these problems we must go beyond economics and realize that technology is an important

... technology is not like a precious metal to be hoarded. It is more like a fine Rhine wine. He who hoards it too long is left with bottles of worthless vinegar.

source of the relative power of the United States in world politics. Many aspects of power politics resemble a zero sum game—where one nation's gain is another's loss.

The most familiar aspect of the politics of technology transfer and the most frequent source of exceptions to the general rule relate to military security. The strategic nuclear balance depends on mutual assured deterrence. One reason we maintain a triad of land-, sea-, and air-based strategic nuclear systems is to use redundancy as protection against destabilizing technological breakthroughs. For the same reason, we use export licensing to inhibit transfer of technology that could significantly contribute to Soviet military potential.

We also restrict the transfer of certain aspects of nuclear technology that provide direct access to weapons-usable material because of the dangers to our security posed by the potential proliferation of nuclear weapons. We also control the export of conventional

armaments to avoid introducing destabilizing military technologies into regional relationships that could ultimately affect our security. A number of important initiatives have been taken by the Carter Administration in relation to those military-security exceptions to the free transfer of technology.

The political aspects of technology transfer go beyond the military significance alone. For one thing, a strong technological lead by the United States contributes to our overall economic strength. We are concerned to maintain our overall technological strength. In addition, there are many issues in world politics today where military force is not particularly useful in achieving our objectives—for example, communications satellites, ocean resources, environmental cooperation. Yet in each of these areas, our advanced technology provides us with a potential instrument for political bargaining. Technological leadership can provide usable power.

A popular tendency in thinking about technology as a source of power is to think in simple terms of restricting its export. But technology is not like a precious metal to be hoarded. It is more like a fine Rhine wine. He who hoards it too long is left with bottles of worthless vinegar. With time, any technology will spread—as Britain found out with the textile technology in the 18th century and the United States discovered with nuclear technology in the 1940's.

It is sometimes said that the most important aspect of technology transfer is the sure knowledge that something can be done. From then on, diffusion is a matter of time. Thus a sense of timing is crucial to deriving power advantages from any eroding asset such as technological leads. Individual firms know this and act accordingly in their product cycles. A critical policy question is whether the government is capable of making refined decisions about proper timing and the positive use of technology transfer controls.

Many doubt that our governmental machinery—both executive and legislative—is capable of such finely calculated decisions. In the absence of an adequate process, they argue, the best government stance is one of neutrality with the burden of proof put upon those wishing to restrict exports. In practice, this burden, particularly in the case of East-West trade, has tended to be placed upon military security arguments. Yet even in this area, we often encounter difficulties in making carefully balanced and refined judgments.

East-West Transfer

Over the past 5 years, the United States and the Soviet Union have greatly expanded their economic relationship in the field of trade although lag behind other Western exporters in many areas. From an economic point of view, increased trade with the U.S.S.R. benefits the U.S. through higher employment, an improved balance of trade, and access to valuable raw materials. Politically, it also increases contact between our two peoples, gives the U.S.S.R. an incentive to relax its traditional isolation and play a more normal role in the world economy, and adds an element of stability to our political relations. In cooperation with other Western nations, we restrict export of goods and technological data which would make a significant contribution to the military potential of the Soviet Union and prove detrimental to our security and that of our allies.

U.S.-Soviet trade has expanded considerably since 1971. Two-way trade totaled only \$220 million in 1971 but soared at \$2.5 billion in 1976. Last year the balance of trade was strongly in our favor; exports were roughly \$2.3 billion and imports about \$220 million. Some two-thirds of our exports, however, consisted of agricultural products which involved little transfer of technology. Moreover, U.S.-Soviet trade still accounts for a small percentage of total U.S. trade. Our 1976 exports to the U.S.S.R. accounted for only 2% of our total exports, and the U.S. share of OECD technology exports to the U.S.S.R. remains far below the U.S. share of such exports to other markets. In October 1972 the United States signed a trade agreement with the U.S.S.R. granting most-favored-nation tariff treatment to Soviet goods in return for certain Soviet commitments: a declaration of intent to place large orders for U.S. agricultural and industrial goods, provision for third-country commercial arbitration, and improved facilities for U.S. businessmen in Moscow. This agreement required legislation which became public law with the passage of the 1974 Trade Act. But this legislation contained an amendment which linked Soviet emigration practices to the nature of our trade relationship. This was not acceptable to the Soviet Union.

However, since 1972 the two governments have entered into a number of economic agreements and have expanded the framework for their commercial relations. A number of U.S. private companies have undertaken im-

portant initiatives. The U.S.-U.S.S.R. Trade and Economic Council composed of 200 U.S. firms and 100 Soviet organizations was formed in 1973. It has offices in New York and Moscow to expand U.S.-Soviet trade. Twenty-five U.S. firms have received permission to open offices in Moscow and at least 55 American firms have entered into cooperation agreements with the Soviet

The transfer of technology is viewed by the developing countries as critical to achieving long-term economic growth and development.

State Committee on Science and Technology under our basic science and technology agreement. Not all of these agreements have, however, been implemented.

A number of problems in East-West technology transfer are under current consideration. One problem, raised by the Bucy report submitted to the Defense Department last year, concerns control of key technologies. How to select the really critical technologies is a complex issue. A closely related problem is how to maintain cohesion among the Western members of the Coordinating Committee for East-West Trade Policy (COCOM) when there is a feeling among COCOM members that the COCOM list and procedures are unduly restrictive and ill-suited to the military security problem posed by the Soviet Union.

Yet another problem is how to refine internal decisionmaking procedures so that a broader conception of national security is used to make decisions. Under current procedures, precise arguments that a technology transfer has military significance, no matter how slight, tend to prevail easily over important but fuzzy arguments based upon broader national security considerations. These issues and the important tradeoffs they involve are currently under discussion and review as part of the interagency study I mentioned earlier.

North-South Transfer

The other politically difficult area in the transfer of technology is the North-South area. The transfer of technology is viewed by the developing countries as critical to achieving long-term economic growth and develop-

ment. They would like to see some basic changes in the present process of technology transfer including a large measure of governmental control over the terms and conditions of commercial technology transfer from the developed countries. They claim that their right of access to technology which they regard as the "common heritage of mankind" has been limited and restricted unreasonably and that this is the main reason for their being underdeveloped.

Some of these countries have established measures under their national laws to prohibit technology suppliers from imposing any restrictions on recipients for the use of this technology. Through UNCTAD they have pressed for a mandatory code of conduct covering all forms of technology transfer to regulate the conditions under which owners of patents and other technology can license and sell their technology abroad.

On the other hand, U.S. labor unions have raised the issue of the adverse effects of foreign technology transfers on U.S. employment levels. The idea is that the flow of technology abroad enables goods to be produced in foreign countries which would otherwise have been produced in this country and, as a consequence, jobs are lost in the United States. The Congress has requested a study of the domestic economic consequences of the transfer of technology abroad in recently enacted amendments to the Export Administration Act.

It is, of course, difficult to answer the question of impact of technology transfer on balance of payments and on the U.S. labor market. These are subjects that will be addressed in substantial detail in the course of this meeting. There are a number of factors involved which may have a tendency to balance each other. While it is true that the transfer of technology from the United States to a foreign country does enable that country to produce goods that otherwise might have been produced in the United States, it is also true that the boost given to the economic and social conditions in the recipient country will increase its absorptive capacity for other U.S. goods and that effect may equal or surpass the loss in market due to the additional production within that country. Furthermore, studies conducted at the Harvard Business School show that the net effect depends upon the likely alternatives to the transfer, and these alternatives depend upon the stage of the product cycle. Since it is often difficult to state with certainty what the alternative might have been, it is not surprising to find a certain

amount of political acrimony in particular cases.

Looking at the other side of the coin, we believe that over the long run, the economic and technological development of lesser developed nations is in our national interest. We continue to believe that North-South investment flows can be an important form of transferring technology for development.

We respect the right of each country to determine the environment in which foreign investment takes place in that country. At the same time, once foreign investments have been made on this basis, these governments should not discriminate against established firms on the basis of nationality or deprive such firms of their rights under international law.

On the question of codes of conduct for multinational enterprises, we believe that they must, of necessity, be broad in nature and, consequently, they do not lend themselves easily to legally binding arrangements. However, we believe they can serve a useful purpose by providing a basis for firmer expectations of accepted behavior for both investors and host governments. In summary, we believe that broad codes of conduct should be voluntary in nature; should be balanced in reference to the responsibilities of governments and multinational enterprises; should not be used as a basis for discrimination; should abide by international law concerning foreigners' property rights; and should apply to all enterprises, whether private, government, or mixed.

The only internationally agreed code of conduct at present is the package agreed to by the OECD ministers in June 1976. We believe this was a major step toward realizing our goal of clarifying the rules for, and strengthening cooperation on, international investment.

The most important current forum for dealing with North-South investment issues is in the U.N. Commission on Transnational Corporations and its Intergovernmental Working Group on a Code of Conduct. Here we are coming to grips with some issues that divide developed and developing countries—permanent sovereignty of the state versus standards of equitable treatment and compensation traditionally maintained in international law, a binding versus a voluntary code of conduct, and responsibilities of firms versus responsibilities of governments.

I have explained in some detail the general position of the U.S. Government with respect to technology transfer through the private sector. It is

essentially a noninterference policy unless the security or other vital interest of the United States is involved. We believe this is the right policy for us to follow. Loss of leadership in science and technology will not occur in this country because of normal commercial exchange in the course of doing business on an international scale. On the contrary, the risk of loss of leadership would be much greater if we were to adopt a protectionist policy with respect to our science and technology. We believe in the ability of this country to continue to compete vigorously in an open international economic system.

In the long run developing countries can and will expand and improve their own industrialization through their own efforts as well as the normal action of private firms competing in a global economy. Government measures that obstruct technology transfer do not serve the long-term development interests we share with the less developed countries.

The U.S. Government can play a positive role through helping to strengthen the universities and research institutes in these developing countries

... the risk of loss of [U.S.] leadership would be much greater if we were to adopt a protectionist policy with respect to our science and technology.

to make them better able to absorb technology and to develop their own technology. We can also examine ways to facilitate the flow of public sector technologies. Several kinds of technology are largely in the public domain and others would not be competitive with American industrial or commercial interests. In the past the U.S. Government has provided some technical assistance in these areas, but the effort could probably be considerably increased.

First, the United States could promote the transfer of public technologies that build up the economic and social infrastructure necessary for modernization. This effort could cover technologies for electric power; public transportation; education; preventive and curative health care; agricultural productivity; water, air, and land conservation; natural disaster planning; and others.

Second, there is a large pool of unused technology now in the public domain, some of which is in the form of

expired patents not now being commercially exploited but much of which are well-developed technologies that were put aside at a time when they were not competitive. A promising example is the use of forest products and agricultural residues for the manufacture of a vast range of useful materials which are now derived from petrochemicals. Some of these ignored, and now public, technologies are clearly useful and others are not. All need to be examined critically and many might be improved by cooperative ventures in research and development which could ultimately bring mutual benefit to both developed and less developed nations.

Third, we believe that the nonproprietary technologies of food processing could effectively be transferred to establish the basis of small, rural industries in developing countries. Such transfers would hardly be competitive with American industry or agriculture in the world which faces overall food shortages for the foreseeable future.

Of course, the areas in which technology shall need to build up expertise will vary widely from country to country depending on their present capabilities, their own natural resources and human resources, and the future commercial opportunities. The process will be a long one, but we believe it is the effective way to improve social and economic conditions in the countries. There is no quick and easy road to industrialization. It would be well to supplement the term technology transfer in this context with technological development. We expect these questions to be treated in the U.N. Conference on Science and Technology for Development to be held in 1979.

It is altogether appropriate that we ask ourselves why the United States should be helpful in strengthening the educational and technological infrastructure of developing countries. The reason is that over the long run, we see the development of Third World countries as reinforcing our national interest through contributing to a more stable world order. Whatever the near-term conflicts, we should see North-South transfer of technology as a positive outcome in the long run. We believe that technology transfer:

- Will contribute to meeting human needs and developing human capacities and to upward mobility through the growth of indigenous technical and managerial skills;
- Will promote less developed country internal economic development and independence and reduce their dependence on current aid-type programs;

I believe the workshops which will follow in the course of today and tomorrow will provide elaboration of the several points I have mentioned. I hope that I have given you some indication of the broad doctrine and policy of the U.S. Government on the important subject of technology in world affairs. □

Address before the Electronic Industries Association in Washington, D.C., on Dec. 7, 1977; Mr. Nye is Deputy to the Under Secretary for Security Assistance, Science, and Technology.

U.N. Conference on Science and Technology for Development

Foreign Relations Outline

Efforts of the developing countries to achieve self-sustaining growth have been hindered by the lack of an indigenous scientific and technical base. Without such a base, their economies cannot be integrated or competitive in the international system. Development and transfer of science and technology have emerged as major goals of the developing countries, and they are increasingly determined to evolve their own capabilities in these areas and to gain greater access to the business know-how of the industrialized world.

Considerations such as these led the U.N. General Assembly's Seventh Special Session (September 1975) to propose convening a U.N. Conference on Science and Technology for Development (UNCSTD). The conference—following a series of U.N. global meetings on environment, food, population, urban settlements, International Women's Year, water, and desertification—is scheduled to convene in Vienna in late summer of 1979. An earlier U.N. Conference on the Application of Science and Technology for the Benefit of the Less Developed Areas was held in 1963 in Geneva, but increased awareness of the links between science and development was not translated into practical action.

Purpose

The main objectives of the UNCSTD are to:

- Strengthen the developing

world's scientific and technological capacity:

- Determine ways to accelerate economic and social development through science and technology; and
- Create appropriate instruments of international cooperation for transferring the necessary capacities and techniques.

The conference is not intended to highlight the latest scientific advances but rather to analyze development problems that might be resolved with the aid of scientific and technical expertise. It will focus on the interrelationships among the political, scientific, and technological components of socioeconomic development.

International Preparations

The preparatory period for UNCSTD, which began in 1977, is a complex process involving each country in a detailed examination of its goals, priorities, and experiences in applying science and technology to development. An integral part of the conference, these preparations involve activities at the national, regional, and interregional levels.

National papers, to be submitted to the United Nations by every member by May 1, 1978, are central to conference preparations. In essence, they are descriptive and will examine each country's experience, needs, potential, and goals in science and technology. (The national paper should not be confused with U.S. position papers which will be drawn up later on specific agenda items and issues.) The U.N.'s five regional commissions will review the national papers. Priorities

that emerge globally will determine the conference agenda.

U.S. Preparations

U.S. preparations will involve a broad cross-section of the American public, including business and industry, universities, labor, and non-governmental organizations. These groups are expected to make an important contribution to preparing our national paper. The National Research Council is preparing background studies for the U.S. paper on five areas of concern to developing countries. These are:

- Population, health, and nutrition;
- Energy, natural resources, and environment;
- Food, climate, soil, and water;
- Employment, trade, and industrialization; and
- Urbanization, transportation, and communications.

U.S. Policy

The United States has long supported the developing countries in building a scientific and technological infrastructure for economic growth and industrialization. We believe that technology development and delivery, involving education and training among other factors, can contribute to an improved North-South relationship. Equally important, technology development can help realize human potential. We also believe that the development effort is and remains the primary responsibility of the developing countries themselves. Where and how proprietary know-how will be transferred is basically the responsibility of American private enterprise, which creates and controls most proprietary technology in this country.

The United States is fully committed to UNCSTD and believes that it can be a useful step in aiding Third World development. It is the function of the office of the U.S. Coordinator [Ambassador Jean Wilkowski] for the conference in the State Department to enlist the cooperation of public and private groups and seek advice from them, to coordinate U.S. preparations and positions, and to maintain a national dialogue on the role of science and technology in development. □

Based on a Department of State publication in the GIST series, released in January 1978. This outline is designed to be a quick reference aid on U.S. foreign relations. It is not intended as a comprehensive U.S. foreign policy statement.

SECURITY ASSISTANCE:

Conventional Arms Transfer Policy

by Lucy Wilson Benson

For those of you who are not familiar with the organizational structure of the Department of State, my responsibilities cover three distinct but related areas:

- Our security assistance program, which is shorthand for U.S. Government activities in military assistance and the export of conventional arms;
- Nuclear nonproliferation—our efforts to slow the spread of nuclear weapons' capabilities and to manage any destabilizing effects that may accompany the diffusion of nuclear technology; and
- Science and technology and its integration into foreign policy.

There is obviously a tight relationship between conventional arms transfers and nonproliferation and a somewhat looser connection between arms transfers and science and technology.

I will today delve into our past year's activities in the first of these responsibilities—arms transfers. This is a subject of particular importance, not to say controversy, in the aeronautical industry.

Background

As all of you know, President Carter came into office a year ago with a commitment to control, and indeed reduce, U.S. activities in the international arms market. The enormous growth of that market in the mid-1970's, and the fact that the United States had such a dominant position within it, had created a sense of unease no incoming Administration could ignore.

The world trade in arms was running at something over \$20 billion a year, and the United States was doing about one-half this business, much of it in sophisticated aircraft. Moreover, the greatest growth in the market was centered on the most sensitive and unstable area in the world, the Middle East. Three countries in particular—Israel, Iran, and Saudi Arabia—were buying each year \$6 billion worth of weapons, equipment, and military-related services. Their purchases averaged 60% of all U.S. arms sales.

In the public mind, and certainly in the Congress, there was a growing belief that much was amiss, that the U.S.

Government had somehow lost control over the activities of the American arms industry. Many people believed that the government deliberately and unwisely was using arms sales to soak up petrodollars or to promote American business or to reduce unit costs for the U.S. military services—purposes that had little to do with basic U.S. security or foreign policy objectives. To many it seemed that the long-term consequences of pouring arms into the politically volatile underdeveloped world were being ignored for the sake of short-term benefits. President Carter's campaign promise, therefore, to change American arms transfer practices, struck a responsive chord.

Almost immediately after his inauguration, the President ordered an inter-agency study of arms transfer activities. It was a complex study, involving 10 separate agencies of the Federal Government, each with a special expertise and knowledge to offer. There were many competing, but legitimate, interests involved. To reconcile them and produce a coherent policy was a monumental task, but it was accomplished, and on the 19th of May the President publicly announced a new policy based on that study.

Stripped of its rhetoric and special exclusions, the policy said:

- We will sell fewer arms in 1978 than in 1977;
- We will apply a number of restrictions on what we sell, how we sell, and to whom we sell; and
- We will also try to convince our competitors in the arms market to do likewise.¹

The President's new policy was ambitious; it was also feasible. It responded to an obvious and long overdue requirement to lay out a comprehensive and coherent policy in an area that until then never had one.

It has not been easy. We expected to find conflicting interests and convictions—not only between and among agencies but also within agencies, and we did. They not only made the original study complicated and difficult, but they arose all over again when it came time to implement the new restraint policy.

It is important to keep in mind that arms transfers are not the responsibility of a single agency. State develops and oversees the general policy and its im-

plementation. Defense manages the actual transfers. Other agencies have their own well-defined input to make. It has been my major preoccupation during the last year to organize the governmental effort to carry out the provisions laid down by the President.

There are 10 separate agencies represented on the interagency group that is becoming the focus of our arms transfer policy deliberation—the Arms Export Control Board (AECB). Its most important task for the past 8 months has been to set up the mechanisms necessary to carry out the stated policy. Through the Arms Export Control Board, we have, among other things, written new regulations, defined some critical terms, developed new inter-agency clearance procedures, provided new guidelines to industry and U.S. Government officials for dealing with foreign governments on arms transfers matters, and established a management system to insure that the dollar volume ceiling and the other controls established by the President's policy are enforced. With 10 agencies to deal with, this has proven to be a time-consuming task, but the system is now in place and functioning.

Many claim that the first 6 months of the new policy have produced only failures. They point to the fact that this Administration has sold more arms in its first year than any previous Administration—over \$11 billion worth and that 75% of that went to Saudi Arabia, Iran, and Israel.

The facts are undeniable, but they do not support the charge that the policy has failed. There are good and sufficient reasons why the figures were not smaller—not the least of which was the requirement to fulfill commitments

ARMS EXPORT CONTROL BOARD

Department of State
Department of Defense
Central Intelligence Agency
National Security Council
Office of Management
and Budget
Department of the Treasury
Department of Commerce
Joint Chiefs of Staff
Arms Control and
Disarmament Agency
Agency for International
Development

made before this Administration took office. Nonetheless, the policy has not produced instant and spectacular successes. I do not wonder that there may be some question about whether the ponderous "supertanker"—arms exports—is responding to its navigator or whether, indeed, it has a navigator.

There is a pilot and a chart aboard. Over the next year this arms sales Leviathan will slowly be warped around to the new course the President has set for it.

Let me give you a few examples. In a few days, the President will send his budget message to Congress. It will include the security assistance budget and its various components. Each of these components will show significant reductions from the requests sent to the Congress last year. This budget, of course, reflects only one part of our arms transfer activities—the roughly 20% which is financed by U.S. Government long-term credits or grants. The other 80% is the arms trade we carry on for cash.

The President promised he would reduce the dollar volume of all transfers in this fiscal year below those of fiscal 1977. Last week he announced that his goal was an 8% cut and that the \$9.3 billion of weapons related items we sold last year to nonexempt countries would be reduced to \$8.6 billion. There is no question in my mind that we will meet that ceiling figure.

I should emphasize here that the policy is not concerned only with limiting the dollar volume of what we export. Any dollar ceiling will be a fairly arbitrary and crude measure of the extent to which the Administration succeeds in restraining aggregate sales. The "ceiling" has received a great deal of publicity, but it says nothing about the qualitative aspects of restraint which are the real structure of the President's policy and which are, in the long run, much more important.

I stress this point because there exists in American society a great preoccupation with numbers, particularly large numbers of dollars. We tend to treat them as revealed truth. In fact, numbers demonstrate very little in the business of arms transfers and to focus only on the money side of arms sales is to obscure the more basic elements of the policy that touch directly on our security and political relationships abroad, on regional military balances, and regional stability.

Applicable Controls

These basic elements of the President's arms transfer policy are the six qualitative controls applicable to all

countries except our NATO partners, Australia, New Zealand, and Japan.

- First, the United States will not be the first supplier to introduce into a region newly developed advanced weapons which would create a new or higher combat capability.

- Second, we will not sell such weapons unless they are operationally deployed with U.S. forces.

- Third, we will not permit development of advanced weapons solely for export.

- Fourth, we will not permit co-production by other countries of significant weapons, equipment, or major components.

- Fifth, we will not allow U.S. weapons or equipment to be transferred to third countries without our consent. The transfer of certain weapons will be prohibited altogether.

- Sixth, we will not permit our embassy and military representatives abroad to promote the sale of arms. In fact, we will not permit them even to discuss potential sales without prior approval.

The qualitative dimension of the policy is far less visible than the dollar ceiling, and it is difficult to find newsworthy examples to excite public imagination, but there are three cases that we have described in public which illustrate that in fact the policy is taking hold.

Last summer we turned down a request from Pakistan for a large sale of attack aircraft basically on the grounds that it would introduce a new capability into the subcontinent. We similarly disapproved a request from Iran for F-18 aircraft on the grounds that that is an airplane not yet in the hands of U.S. forces. The third example was our disapproval of an Israeli request to sell a sophisticated Israeli jet fighter, equipped with American engines, to Ecuador. We applied the third country transfer restriction in this case.

There have been a number of other turn-downs as well, but I cannot describe them in a public meeting since the governments which were refused the items in question have chosen themselves not to make the matter public.

As the President acknowledged, actual reductions in the worldwide arms traffic will require the cooperation of other nations. We have begun discussions with other principal suppliers of arms in Western Europe and with the U.S.S.R. to explain our policies and to ask that they cooperate with us in practicing restraint. Clearly this will be a long-term effort, and early success is not to be looked for but we are off to a solid start.

Domestic Reforms

We are also making substantial progress in reforming ourselves—that is, reforming the arms transfer community within the government and industry. This is not a trivial issue since for a good many years both the private and public sectors were operating without comprehensive policy guidance. There were certain legal restrictions to be observed, but everyone assumed that refusals to sell would be rare. Thus both industry and government officials were in a position to promote arms sales abroad with a fairly free hand. In fact, in the early 1960's they were encouraged to do so as a matter of government policy.

As I mentioned earlier, the Arms Export Control Board has devised new regulations to cover industrial promotion abroad. It has also developed new internal directives to regulate the activities of government officials. There is unmistakable evidence that these are already having some effect—industry has publicly described our new instructions to embassy personnel governing their cooperation with U.S. defense industry representatives abroad as the "leprosy directive."

None of these qualitative or procedural restraints has a particularly newsworthy quality. Unfortunately, much of the news reporting and commentary since May 19 has tended to emphasize a presumed gap between policy and practice and to suggest that nothing has changed in the transfer field. As a result, skepticism about the policy has been expressed in many quarters. Part of this problem is our fault. We appear to have promised rather more than we could reasonably deliver, at least in the short run, and we expressed the whole issue of arms restraint with perhaps too much initial fervor. Clearly, we violated Talleyrand's famous advice to diplomats: "Above all, not too much zeal."

Perhaps I can best illustrate the point by quoting the passage from the basic policy statement [of May 19]:

... the United States will henceforth view arms transfers as an exceptional foreign policy implement, to be used only in instances where it can be clearly demonstrated that the transfer contributes to our national security interests. We will continue to utilize arms transfers to promote our close friends. But in the future the burden of persuasion will be on those who favor a particular arms sale rather than on those who oppose it.

There are four important policy points in that paragraph.

- It defines arms transfers as an exceptional policy instrument.

- It establishes the criterion that transfers must contribute to our national security interests.

- It sets forth the concept of requiring proponents to justify sales proposals.

- It reconfirms that the United States will continue to use transfers to promote our own security and the security of our close friends.

In the months since the Administration's policy was announced there has built up in the minds of people who watch this area of public policy the idea that all arms transfers will be considered exceptional and that the word "exceptional" is synonymous with the word "rare."

I argue that you cannot take the phrase "exceptional instrument" as the only description of the policy. The President states very clearly we will continue to maintain our alliance relationships and to transfer arms to allies and friends for security reasons. Moreover, the policy specifically exempts all of NATO, Japan, Australia, and New Zealand from the policy controls. When you combine these exemptions and our commitment to uphold our treaty agreements, you have already justified a substantial arms transfer program—none of which could be considered exceptional in the sense of being rare.

What I understand the word "exceptional" to mean is that as requests for transfers come to the U.S. Government, we will not treat them as routine matters of business. We will review them as something uniquely important to our foreign and security policy; not something, however, as uniquely rare.

Security Relationships

That they are an exceptionally important instrument of policy cannot be questioned. Much of the free world has looked for 30 years to the United States as guarantor of its security. But in recent years, both as a matter of explicit policy and as a matter of historical circumstances, the United States has been gradually contracting the scope of its activities in mutual security arrangements. Look at the record.

Fifteen years ago in Europe we had 420,000 troops; today we have 300,000. In the early 1960's the Navy patrolled the world's oceans with a force of over 900 ships; it is less than 500 today. We no longer have any U.S. forces on the Southeast Asian mainland, we have told the Koreans that we intend to remove all U.S. ground forces from the peninsula in the next few years, and our overseas base structure has been steadily reduced.

I do not argue with the wisdom of this gradual contraction of our overseas presence, but I cite it to illustrate the point that we have changed the nature of our mutual security relationships. Where earlier we were both able and willing to provide ships, troops, and aircraft as a peacetime deterrent force throughout the world, we now look to allies to furnish much of that force—a policy that was made explicit in the Guam Doctrine announcement of 1969.

But if our allies are to fulfill those responsibilities in a way that satisfies our shared security interests, then their guaranteed access to arms is essential, and the United States is the natural supplier. This is so not only because of our long historical relationship with the countries of Europe, Asia, and the Middle East but also because of our reputation for the best equipment, the best terms, and the best training and logistic support.

We became the world's largest seller of arms not because we were the masters of the hard sell but because we adopted a security policy which demanded more allied self-reliance in our bilateral security relationships. To make it work we were obliged to supply the necessary hardware. That obligation to our friends and allies remains.

As the policy states, we will continue to utilize arms transfers to promote our security and the security of our close friends. Thus, our business is not to take ourselves out of the arms market but to manage our share responsibly.

Definitions of responsible conduct will vary, but I think we can all agree that careful adherence to the six controls set forth in the policy is a good beginning. But that in itself will not be enough.

Human Rights Aspects

Both law and policy require that we conduct our arms transfers in a way that will promote and advance human rights. Our approach to *this* element of the policy has been to set up a review system within the Department of State that requires explicit consideration by the Department's Bureau of Human Rights and Humanitarian Affairs of each proposed arms transfer to a country with human rights problems. When there are basic differences of view—and it does occur—the case will come to me or to the Secretary for resolution.

We have much to learn about the delicate process of using arms transfer policy to promote human rights. Advancement of human rights is one important objective of our foreign policy.

But there are others—mutual security being one. The challenge is to advance both—simultaneously and as consistently as possible. It will be a matter of judgment whether the carrot or the stick will have the most effect. Do we reward by furnishing arms or do we punish by denying them? And what criteria should we apply to help us make that decision? These are difficult questions, but I believe we have made a creditable start in answering them, and I expect our performance to improve with experience.

Regional Stability

Responsible conduct also requires us to look carefully at the question of regional stability. Arms can do much to enhance stability of local military and political balances, or it can destroy them. In the Middle East, in the sub-continent, in North Africa, in East Asia, we have any number of politically tense and militarily explosive situations whose peaceful resolution is important to us and to the world at large. Arms play a critical role; they can strengthen responsible governments, enhance deterrence and thus contribute to stability, or they can trigger arms competition and encourage violent rather than peaceful solutions to outstanding problems. Obvious weakness can invite preemptive attack, but overwhelming strength can create especially dangerous instabilities. As is always the case, there are no mechanical rules and criteria that can be applied to solve the equation of whether to approve an arms transfer case. It will often be a difficult judgmental call.

Economic Consequences

Finally, we have a responsibility to look at the economic consequences of arms transfers to the less developed world. What is the impact of arms sales on resource allocation for development? What sort of long-term economic burden is acquired by a country buying military equipment whose eventual operating costs will exceed by many times the original purchase price? These and related economic questions are easy to ask but very difficult to answer. What little work has been done in the field is inadequate, in part because our experience is quite limited, and it is difficult to apply generally. For instance, our experience in Korea and Taiwan—two heavily armed countries with extraordinary development records—is simply not applicable to a country like Thailand or Zaire.

For the first time in three decades we have a comprehensive arms sales pol-

That in itself is a great step forward. I think it is a good policy. Its objectives are sound and its provisions workable. It is designed to let us stay responsibly in the arms business where we can demonstrate that our national interests will be served. This is not an unreasonable condition to impose on our activities.

At the same time, we must recognize that there are no absolutes in this business—as indeed there are none in foreign affairs. We must be prepared to uncertainty—the unexpected crisis, the unanticipated problem, the unfor-

seen event. Our arms policy provides us with reasonable guidelines for decision and a capacity to adjust to circumstances. With patience and common sense I believe we can reach the President's stated objectives in good order. □

Address before the 14th annual American Institute of Aeronautics and Astronautics Conference in Washington, D.C., on Feb. 9, 1978; Ms. Benson is Under Secretary for Security Assistance, Science, and Technology.

¹ For full text of President Carter's statement, see BULLETIN of June 13, 1977, p. 625.

Administration Officials Testify on Arms Transfer Policy

On February 1, 1978, the Subcommittee on International Security and Scientific Affairs of the House Committee on International Relations heard testimony by several Administration officials on the U.S. arms transfer policy. Following are excerpts from the statements by four of those officials.

M. BENSON¹

The members of this committee are familiar with President Carter's May 19 statement concerning our arms transfer policy. It is a policy designed to impose discipline and restraint on our arms transfer activities abroad and at the same time to enable us to use arms transfers to support our important national security and foreign policy interests. The policy's intent is not to hinder us in the fulfillment of our international responsibilities but to let us fulfill them in a more responsible way. It thus will continue to meet the immediate defense requirements of friends and allies, as indeed we have been doing for over 30 years. It responds to a number of congressional concerns that have been evident for several years; in fact, many of the policy's specific provisions were first put forward by this body.

Now I would like to describe for you what we have done to implement the May 19 statement.

Arms Export Control Board

One of our first acts was to create the Interagency Arms Export Control Board, under my chairmanship. This is an advisory body designed to assist me in making recommendations to the Secretary of State on arms transfer matters.

There are 10 separate agencies represented on the board, usually at the assistant secretary level. All of the 10 agencies have a direct responsibility for one or another aspect of our international arms transfer activities. The board has met six times in the last 6 months and has dealt both with program issues, such as the FY 1979 security assistance budget, and with management issues, such as the development of mechanisms to execute the policy. The latter group of issues has, understandably, taken a major share of the board's time since its establishment.

In addition to the board itself, the AECB has five working groups. They are:

- **Arms Transfer Policy Planning Group** chaired by State;
- **Security Assistance Program Review Group** also chaired by State;
- **Administration and Management Review Group** chaired by Defense;
- **Middle East Arms Transfer Group** chaired by State; and
- **Arms Control Impact Group** chaired by the Arms Control and Disarmament Agency.

It is in these groups that the staffwork of the AECB is done. The Policy Planning Group and Security Assistance Program Review Group have been particularly active, because they have been so deeply engaged in the development of both a system and procedures for executing the policy and the FY 1979 security assistance program.

The Policy Planning Group activity has involved:

- Revising the International Traffic in Arms Regulations (ITAR) to require private concerns to obtain State De-

partment approval prior to engaging in activities designed to induce sales of significant military equipment to a foreign country;

- Developing guidance for U.S. diplomatic and military personnel overseas to insure that their activities are consistent with and support the new policy;

- Reviewing departmental and agency procedures and practices to insure that they, too, are consistent with the policy;

- Codifying internal and interagency clearance procedures for handling specific arms transfer proposals. This was necessary because of the requirement to review each proposal not only in terms of its political and security dimensions but also in terms of its impact on human rights, arms control, and, in some cases, economic development;

- Developing the definitions required to implement the policy, e.g., how the government will define "weapons and weapons-related" for purposes of the policy and how it will define various other key terms and phrases that appear in the published policy statement.

Ceiling Management

In addition, the AECB Policy Planning Group has developed a system for managing the dollar volume of sales in order to meet the President's commitment to reduce sales of weapons and weapons-related items to nonexempt countries from last year's total. Lt. Gen. Howard Fish will discuss the ceiling management accounting system in his presentation. But let me briefly cover the basics.

We estimate that the ceiling control level for FY 1978 will be \$9.3 billion. This figure was derived from the 1977 base year as follows:

	Million \$
Total new commitments in FY 1977	11,469
Less transfers to NATO, Australia, New Zealand, Japan	1,221
Less nonweapons and weapons-related items	1,479
Total FY 1977 ceiling control figure	8,769
Ceiling control figure adjusted for inflation from FY 1977 to FY 1978	9,295

As of today, we do not have the size of the reduction. When the President makes that determination, we will, of course, provide it to the committee.

The FY 1978 ceiling will require very careful management. Over half of the ceiling dollars are already pretty much committed. These commitments include:

- About \$100 million of FY 1978 military assistance program for weapons and weapons-related items for nonexempt countries and

- Approximately \$2.4 billion in letters of offer either signed since 1 October, when the fiscal year began, or issued but still unsigned. Of this figure \$1.3 billion is accounted for by the Iranian airborne warning and control system.

In addition to these commitments, which total \$2.5 billion, we need to set aside roughly \$2.8 billion to cover: (a) spare parts, technical support, and ammunition for equipment previously sold, (b) ongoing multiyear contracts to which we are committed, (c) possible scope changes in prior year contracts, and (d) those arms sales that do not have to be reported to the Congress pursuant to Section 36(b) of the Arms Export Control Act. The residual, before any policy reduction, is about \$4 billion.

What is left after the policy reduction is the discretionary sum that we will apply to new major sales of defense articles and services.

We have examined a number of options for managing this discretionary balance in a way that allows us to cover priority requests that serve the important security interests of the United States but at the same time insures that we do not exceed the presidentially determined ceiling.

A consensus developed among the AECB members that we cannot consider requests on a first come, first served basis until we run out of ceiling dollars but that we had to develop an estimate of the likely requests we will receive during the fiscal year and to examine them in terms of their priority for U.S. foreign policy objectives. Obviously, any predictive system involves a large number of uncertainties, and we will constantly be revising our estimates of who is likely to want what and when.

One of the major uncertainties is that historically some 20–25% of the arms sales cases in which serious interest is expressed never result in a signed letter of offer. For whatever reason, foreign governments often change their minds at a late stage in the process. Also we can expect new cases to arise to which we may have to give priority.

To deal with this particular problem and to insure that we are able to cover our highest priority requests, we may well decide to send to the Congress, under Section 36(b) of the Arms Export Control Act, an aggregate number of cases whose value will exceed the established ceiling. We will not, how-

ever, issue letters of offer in excess of the established ceiling, and the Defense Department's accounting system will insure that we can keep track of the letters-of-offer process in order that we stay within that figure.

I should emphasize at this point that the policy is not concerned *only* with limiting the *dollar* volume of what we export. Any dollar ceiling will be a fairly arbitrary and crude measure of the extent to which the Administration succeeds in restraining sales to nonexempt countries. Moreover, as is clear from recent press stories, there is some confusion about what the ceiling is and how it is defined.

Briefly, the \$13.2 billion estimate for the foreign military sales trust fund that appeared in the President's budget is not an estimate of the ceiling, as some have assumed. It includes \$4.3 billion of estimated sales that are not, by definition, within the ceiling: \$1.7 billion of that \$4.3 billion is for exempt countries (NATO, Japan, Australia, New Zealand) and \$2.6 billion is for nonweapons-related construction in Saudi Arabia. The remaining \$8.9 billion relates to the ceiling, but even here, our experience last year suggests that almost 10% of this amount would not fall within the weapons and weapons-related definition and thus would not count toward the ceiling.

I know there is a natural tendency to focus only on the money side of arms sales. Numbers always receive a good deal of attention, but it is important not to let this preoccupation with the ceiling obscure the other elements of the policy, e.g., the specific controls nor the role played by arms transfers in protecting and strengthening our important security interests and political relationships abroad.

Relations With Defense Industries

The U.S. defense industry, of course, has a deep interest in our arms transfer policy and concern about some aspects of it.

- It is worried about the possibility of European suppliers filling any vacuum left by the United States as a consequence of the policy's controls.

- It finds unnecessarily discriminatory our internal directive to our posts abroad that mission personnel, in dealing with commercial firms selling defense articles and services, "should not facilitate sale of significant combat equipment by providing such services as advice on tactics for making a sale, assistance in appointments with host government officials, or a special sup-

port of any kind which might imply that the U.S. Government endorses particular sale or is likely to provide U.S. Government financing when the fact has not been established."

- It is becoming impatient with the length of time it is taking the government bureaucracy to review and get decision on arms transfer cases.

I understand these concerns. In effort to keep myself informed on industry problems and reciprocally to insure that it understands what it is we are trying to do, I have twice chaired government panels before trade association-sponsored seminars, and encourage my department colleagues to take full advantage of similar opportunities to inform and be informed by this important sector of the arms transfer universe.

I think the defense industries as a whole are satisfied that they can get fair hearing from me or my associates in the arms transfer field when they have a problem. I am less certain that we are always able to provide what they would consider acceptable solutions.

We are also making an effort to publicize, to the extent we can, all directives, procedures, definitions, and policy guidance that would be useful to the industry for planning and operations.

On the question of processing delays, it is a serious problem for which we see no simple solution. The review process is far more complicated and thorough today than it was prior to the passage in 1976 of the Arms Export Control Act and prior to the promulgation of the President's policy. We are, however, sensitive to the industry need for expeditious decisionmaking and we will do our best to tighten up the process wherever it is possible to do so.

MR. GELB²

The President has committed the United States to a policy of restraint, a first step toward reducing the worldwide traffic in arms. In our view, our ability to sustain our own policy reductions over the long run will require multilateral cooperation.

Achieving multilateral cooperation will be a difficult task because arms transfers have been and will remain a key foreign policy instrument for other major suppliers. Arms transfers involve domestic, economic, and political considerations in most supplier states, just as they do in the United States. Furthermore, recipient countries have legitimate defense needs that must be

et. In seeking to induce other suppliers or recipients to reduce sales purchases of arms, therefore, we must convince them that their security policy interests will not be adversely affected, and could be enhanced, by measured steps toward restraint.

In developing our approach to multilateral cooperation, we have established the following near-term objectives:

- First, to set an example of restraint through our own reduction and thereby create an international climate more favorable to arms transfer restraint;

- Second, to engage suppliers and recipients in a dialogue on restraint; and

- Third, to build common interests and common principles for restraint.

Common principles might take the following forms:

- Development of norms of supplier restraint. This might reflect our own policy guidelines, such as no first introduction of advanced weapons systems into a region which creates a new significantly higher combat capability in the area and restrictions on co-production and retransfers;

- Development of norms for recipient restraint;

- Establishment of consultative mechanisms to enhance the exercise of restraint;

- Integration of restraint efforts with diplomatic efforts to resolve regional disputes; and

- Reduction of possibilities for substitution by suppliers where others have exercised restraint.

This whole enterprise will obviously require the closest cooperation with a wide variety of countries. From the outset, we foresaw the need to involve the Soviet Union and its allies, other Western suppliers, and recipients.

Approach to Suppliers

The United States has begun a dialogue on arms transfer restraint with the Soviet Union, the world's second leading supplier of arms. It was my responsibility to lead the U.S. delegation at the preliminary talks held here in Washington December 14-19, 1977. This was the start of what we hope will be a continuing dialogue with the Soviets on this issue. We explained the new U.S. arms transfer policy to the Soviets and responded to their questions. We emphasized what we considered to be the parallel U.S.-Soviet interest in avoiding confrontations in Third World areas because of competitive transfers.

We believe the fact that we have begun a dialogue with the Soviets is important, although we recognize that we obviously have a long way to go. Since the preliminary talks were held at

our initiative, we did not expect the Soviets to make a major contribution at this stage. However, we are hopeful that, as we seek to continue and intensify consultations with them this year, their responsiveness will grow given the importance of the issue.

The United States has also been in contact with other suppliers. We have emphasized the importance of and need for a coordinated, multilateral approach to restraint if we expect the effort to be successful. We are hopeful that these other suppliers will recognize their interest in continuing to consult further with us.

At the same time we realize that, in the case of certain suppliers, the viability of their defense industry is in the U.S. interest. This is a fundamental tenet of our NATO standardization and rationalization policies. Reduction in their arms exports could have proportionally greater consequences for their domestic economies and technological base than the same reductions would have for the United States.

Recipients

I would now like to turn to U.S. objectives with regard to arms recipients. Our objectives are to:

- Establish the general acceptability of limitations on arms transfers;

- Develop supplier-recipient groups to explore regional restraint; and

PRESIDENT CARTER

The U.S. Government, the executive branch, and the Congress are pledged to bring about a reduction in the trade in conventional arms. Last year, I promised to begin reducing U.S. arms sales as a necessary first step. I will continue that policy this year.

In the last fiscal year, the previous Administration and my Administration made sales commitments totaling many billions of dollars. While high, however, the total was considerably less than it would have been in the absence of new restraints we introduced, particularly in sales commitments to the developing countries of the world. Between January 20 and the close of the fiscal year, I approved and sent to Congress arms sales totaling \$5.7 billion, which is less than half the total approved during the same period in 1976.

Today, I am announcing that arms transfer agreements covered by the ceiling which I have established will be reduced by \$740 million in fiscal year 1978. This means that for the fiscal year which began on October 1, 1977, and which will end on September 30, 1978, new commitments under the

foreign military sales and military assistance programs for weapons and weapons-related items to all countries except NATO, Japan, Australia, and New Zealand will not exceed \$8.6 billion. The comparable figure for fiscal year 1977 was \$9.3 billion. This is a reduction of 8% figured on constant fiscal year 1976 dollars.

A larger cut in the ceiling would violate commitments already made, including our historic interest in the security of the Middle East, and would ignore the continuing realities of world politics and risk the confidence and security of those nations with whom the United States has vital and shared foreign policy and security interests. A smaller reduction would neglect our responsibility to set an example of restraint that others might follow.

I intend to make further reductions in the next fiscal year. The extent of next year's reduction will depend upon the world political situation and upon the degree of cooperation and understanding of other nations.

I want to emphasize that the restraint policy I announced on May 19, 1977, was not aimed exclusively at the volume of arms transfers. Equally important is restraint in the sophistication of arms being transferred

and on the spreading capability to produce armaments. Therefore, in addition to the ceiling, I established five specific controls applicable to all transfers except those to our NATO allies, Japan, Australia, and New Zealand. These controls include: (1) a control on the first introduction of certain advanced systems into an area; (2) a prohibition on advanced systems for export only; (3) a prohibition on various types of co-production arrangements; (4) tighter controls on retransfer; and (5) special controls on sales promotions.

These guidelines are at the heart of my decisions to approve or disapprove an arms transfer.

As I stated in my October 4 speech to the United Nations, genuine progress in this area will require multilateral efforts. But we are committed to taking the first steps alone to stop the spiral of increasing arms transfers. I call upon suppliers and recipients alike to join us in a determined effort to make the world a safer place in which to live.

Statement issued by the White House on Feb. 1, 1978 (text from Weekly Compilation of Presidential Documents of Feb. 6).

- Introduce restraint into dangerous subregional conflicts. The conflict between Ethiopia and Somalia is the type of situation which the United States believes could benefit from restraint on the part of both suppliers and recipients. The President has recently made this point clear.

Current indications are that persuading recipients that restraint is in their interest will not be easy. Arms recipients among the developing countries have, in the past, voiced their opposition to supplier-imposed restraint. They have argued that restraint will deprive them of the means of self-defense, and advocacy of conventional arms restraint is an attempt to divert attention from nuclear arms control issues which are central to global security. Our approach to recipients will have to deal with these arguments against restraint and offer some practical approaches to their security concerns.

Indeed, our own policy is not to eliminate U.S. arms transfers but rather to reduce them in a manner that is consistent with our own security interests and that does not disadvantage our friends and allies if others are arming their adversaries.

Multilateral forums, in particular the U.N. Special Session on Disarmament scheduled for May, will provide us with the opportunity to express our views.

- The United States recognizes that legitimate self-defense needs must be met, and we are not advocating curbs that would prevent this.

- Restraint is in the interests of both recipients and suppliers; it enables both to conserve scarce resources for such worthier purposes as economic and human development.

- The United States recognizes that the problem of neighbors engaging in mutual arms buildups demands a special subregional approach to restraint.

We believe it will be important to explain U.S. policy more fully and to reassure buyers that the United States does not intend to sacrifice the legitimate security needs of the developing countries.

As I indicated earlier, we did not anticipate it would be easy to orchestrate a multilateral arms transfer restraint effort. However, we recognized that we would have to take the initiative, since we are the leading supplier of arms. We have taken that initiative. We also recognized the complexities of restraining arms transfers and the importance ascribed to arms transfers by both suppliers and recipients. Our approach,

nevertheless, recognizes these interests; we are moving ahead. However, I would be less than candid if I stated that we have made great progress to date. We have begun the process. We intend to keep it going and increase the momentum. This Administration believes that the time has come to address conventional arms transfer issues with the same seriousness of purpose that we devote to nuclear arms limitation.

LT. GEN. FISH³

The President's policy statement on conventional arms transfers of May 19, 1977, announced that the Secretary of Defense would continue to review government procedures, particularly procurement procedures, which may promote the sale of arms.

As a first step in responding to the President's request, the Secretary of Defense asked the heads of all of the relevant components within the Defense Department to review and comment on the procedures of the Defense Department. He also asked the heads of other government departments and agencies to review and comment on their procedures. The Secretary wished to examine not only those procedures which might directly promote the sale of arms but also those procedures which, while intended for other purposes, might be perceived by some within government, by contractors, or by prospective foreign customers as incentives for promoting arms sales.

The responses that he received provided the basis for a report covering three broad areas.

- First, it identified procedures which are designed to facilitate the sale of arms to meet U.S. national security objectives.

- Second, it reviewed a number of procedures that have been revised in recent years, particularly during the studies that led to the President's policy statement, to remove possible incentives for arms sales.

- Third, it suggested a number of areas where further action could be taken to remove possible incentives—or perceived incentives—to promote arms sales.

The Secretary directed the report be forwarded to the President, together with recommendations where existing procedures could be tightened to avoid possible incentives for arms sales and to exert earlier, more effective control over the development of prospective sales.

Facilitating Arms Sales

Collective security has been the keystone of U.S. national security policy for three decades. The defensive strength of the United States is inextricably linked to the defensive strength of its close friends and allies. This fundamental principle was reaffirmed in the President's policy statement of May 19. While calling for restraint in arms sales, the President made clear that it is in the national interest to continue to provide those arms needed by our allies and friends to meet their legitimate defense requirements. Certain procedures, developed over the years, are designed to help meet these requirements.

Under authority granted by the Congress, the Defense Department developed procedures by which other countries could buy equipment from U.S. stocks and use the procurement agencies of the Defense Department to purchase defense articles and services from U.S. contractors. The participating governments benefit from complete package acquisition, fair pricing, quality control, audit services, and other practices designed for the U.S. Armed Forces in their relations with U.S. contractors. In return, the participating governments pay all costs associated with their purchases, including an administrative surcharge, which insures administration of the program at no expense to the U.S. taxpayer.

The Defense Department also has developed supply support arrangements under which a participating country is able to use the logistics system supporting U.S. forces. This simplifies markedly the problems of assuring that follow-on support will be available on a timely and economical basis. For this service, a participating government makes an initial payment to cover its equity in the system, plus payments for drawdowns from the system and an administrative surcharge. Payments by the participating governments cover the full cost of the services rendered—again, at no cost to the U.S. taxpayer.

To assist less developed friends and allies meet their defense needs, the Congress enacted legislation which enables the executive branch to provide financing for arms sales, as a substitute for grant aid, either through direct credit out of funds made available from the U.S. Treasury or by credit guarantees using the facilities of private lenders or the Federal Financing Bank [under the U.S. Treasury]. The ability to extend credit financing has enabled a number of countries to meet their defensive requirements without U.S. grant assistance.

Also, to facilitate standardization and coproduction objectives, the Congress has authorized the waiver of certain training costs under reciprocal arrangements within our NATO allies and permitted the waiver or reduction of nonrecurring research and development and production costs in cases that would contribute significantly to NATO standardization.

Each of these procedures, properly controlled, further U.S. interests by helping meet the legitimate defense needs of allies and friends in an economical, effective fashion.

Existing Safeguards

There are a number of measures, including several adopted during the course of the interagency review leading to the formulation of the Administration's policy on arms sales, which serve to guard against unwarranted arms sales.

First, all sales are under the direct policy control of the State Department and are subject to approval or disapproval by that department. In addition, all major proposed sales are subject to multiple-review process.

Second, the State Department, in conjunction with the Treasury Department and other agencies, exercises policy control over the extension of credit financing in all cases, including financing guarantees.

Third, Defense personnel are explicitly barred from engaging in promotional activities to further foreign sales, except where the Secretaries of State and Defense, or the President, determine that it is in the national interest to promote a sale—e.g., F-16's to NATO.

Fourth, the State Department has issued detailed guidance limiting the types of assistance that U.S. diplomatic missions can render U.S. contractors and cautioning against any activities with host government officials which could influence the possible sale of major defense equipment that has not been fully approved or transferred to the country concerned. Current procedures also provide for prior State Department approval of Commerce Department assistance to U.S. contractors for significant prospective arms sales—except for sales to NATO, Australia, Japan, and New Zealand.

Fifth, the Defense Department has eliminated certain practices designed in the mid-1960's to serve as incentives to U.S. manufacturers to sell their arms abroad. It has:

- Eliminated the 1-4% additional profit factor that had been previously

authorized for foreign military sales;

- Restricted rent-free use of U.S. Government property by contractors producing defense items for foreign governments; and

- Provided new, more stringent control over agents' fees related to foreign military sales contracts.

Sixth, Defense Department procedures place early management emphasis on defining the potential impact of proposed sales on programs to meet the requirements of U.S. forces, the degree of risk to other Defense Department interests, including the impact on its technology base, and anticipated coproduction.

Seventh, surveys under U.S. sponsorship to assist other governments in determining their equipment requirements are very carefully controlled by the Departments of State and Defense since the results could be construed as U.S. approval of the requirements cited in the survey, despite any disclaimers to the contrary.

Eighth, the Agency for International Development now requires regular assessments of the impact of defense expenditures on each aid recipient's economic and developmental plans—an important step since both security supporting assistance and development assistance are intended to help bolster economic and social development, goals that would be hindered by the diversion of limited resources to unrealistic defense spending.

Ninth, all sales of \$25 million or more involving major defense equipment must go through government-to-government channels (foreign military sales) except those for NATO, Australia, Japan, and New Zealand. This helps give the government early control over major sales. Under previous procedures, U.S. contractors could conclude major sales agreements without notice to the government until the contractor sought an export license, often years after the original sales agreement had been concluded.

Tenth, all major proposed sales are subject to a multiple-review process that should assure a thorough airing of all relevant factors bearing on a proposed sale (thus also serving to deter those who might sponsor a dubious sale). The process involves a review of all major proposed foreign military sales or other potentially sensitive cases by:

- Various interested executive branch agencies;

- The President for those proposed sales that must be referred to the Congress under existing legislation; and

- The Congress for all proposed government-to-government sales (foreign military sales) totaling \$25 million or more, or in the case of major defense equipment, totaling \$7 million or more. The Congress has at least 30 days in which to indicate its disagreement of the proposed sale through the passage of a concurrent resolution. (The Congress also receives 30-days' notice of proposed export licenses for exports above the same thresholds to authorized countries through commercial channels.)

Eleventh, the newly established Arms Export Control Board provides a forum comprising all executive branch agencies with an interest in arms sales for advising the Secretary of State on security assistance matters, including arms sales.

Twelfth, the President's policy statement that the future use of arms sales as a foreign policy tool would be the exception rather than the rule, with the burden of proof now on those favoring a proposed sale, should prove a major factor in reducing "incentives" for arms sales.

Other Recommended Safeguards

The review of procedures within Defense and those followed by other agencies identified several areas where those procedures could be tightened to avoid acting as incentives—or seeming to act as incentives—for arms sales and to exert earlier, more effective control over the development of prospective sales. Most of the recommendations made have been approved for immediate implementation; several have been referred to the Arms Export Control Board for further review before implementation.

- The Defense Department is considering legislation that would require the deposit into the Treasury's miscellaneous receipts account of sums received by Defense Department agencies from foreign sales as reimbursement for nonrecurring research, development, and production costs. If passed by the Congress, this legislation would eliminate any perception of "windfalls" from arms sales to the service budgets.

- The Defense Department has issued instructions that will place tight control over the bailment of U.S. Government-owned equipment to U.S. contractors for sales promotion purposes. This step will restrict the past practice of permitting U.S. contractors to use equipment produced at U.S. Government expense—particularly pro-

totypes that competed unsuccessfully for selection by the U.S. services—in promoting sales to foreign markets. There is sufficient flexibility, however, to permit the bailment of equipment when the Secretary of Defense, or his designee, determines that the bailment would specifically further the national interest, such as standardization of selected equipment within NATO or with other allies.

- The Defense Department also has issued instructions that place very tight control over activities in support of international shows involving items on the munition list, such as air shows featuring military aircraft. In the past, such support included the bailment of government equipment, granting export licenses for demonstration purposes, and attendance by high-level U.S. military and civilian Defense officials. Again, this restraint will be exercised with sufficient flexibility to permit such activities when the Departments of State and Defense determine that they will be in the national interest, such as support for standardization efforts.

- The State Department has amended its international traffic in arms regulations, effective September 1, 1977, to require prior U.S. Government approval before U.S. contractors may make any proposal or presentation designed to constitute a basis for a decision by a foreign government to purchase significant combat equipment on the munitions list under a contract for \$7 million or more for use by its armed forces. Unless such activities are curtailed, the U.S. Government runs the risk of being confronted with the dilemma of either approving a sale which it might not otherwise consider to be in its interest or risking the displeasure of the foreign government which had entered into a sales arrangement in anticipation of its approval by the U.S. Government. The Defense Department has issued instructions that any violations by industry perceived by Defense officials should be reported immediately to the Director, Defense Security Assistance Agency, who will immediately advise the State Department.

- The State Department has taken steps to require foreign countries—aside from NATO, Australia, Japan, New Zealand, and others when specifically designated—to use diplomatic channels in forwarding requests for purchases of major defense equipment. This requirement should eliminate the diversity of channels that had been used by other governments in forwarding arms requests which opened possibilities for confusion and to adminis-

trative delays and potential commitments, implied or real, before sales requests could be reviewed by all interested agencies. It also should help assure that the requests have been given thorough consideration by appropriate agencies within the requesting government rather than merely reflecting the desires of the foreign military service involved.

- The Departments of State and Defense have designated points of contact to work with industry on policy matters regarding proposed sales or the implementation of approved sales agreements. This step should help eliminate the variety of channels now used by industry in dealing with government agencies in industry's efforts to promote sales. It also should assure that industry receives consistent policy guidance.

- Under the aegis of the Arms Export Control Board, member agencies are taking steps to extend the Defense Department "standards of conduct" to govern relations between all U.S. Government personnel involved with arms sales and industry. When done, there will be a comprehensive, stringent set of standards for all personnel dealing with industry on arms sales matters.

- The U.S. Government will curtail its involvement—except for NATO, Australia, Japan, and New Zealand—in offset arrangements under which given levels of procurement in a foreign country by the United States or its contractors would partially compensate for a foreign government's purchases from the United States. The Departments of State and Defense and other interested agencies will consider each proposed offset arrangement to assure that it will not be used as an incentive for arms sales—except where there are specific national interests that will be furthered, such as NATO standardization or where it would otherwise be extremely difficult, if not impossible, for our allies to meet their legitimate needs with U.S. equipment.

As I mentioned earlier, several of the recommendations are now before the Arms Export Control Board for further review before implementation. These recommendations include speeding up the interagency review process of all significant arms requests, thus helping guard against a proposed sale developing a life of its own before the review process is completed.

The recommendations under review also include measures to help assure that credit financing extended by the U.S. Government does not act as incentive for arms sales, while at the same time permitting our less developed al-

lies and friends to meet their legitimate defense needs in economical fashion (but with no cost to the U.S. taxpayer). Finally, the AECB also has under review steps to remove certain tax benefits that serve as incentive to U.S. industry to export arms.

We will be able to report further on each of these measures when the Arms Export Control Board completes its review. Meanwhile, I think it fair to say that each of these steps that I have mentioned should serve to remove whatever incentives—real or perceived—there might have been in government procedures tending to promote unwarranted arms sales. The net result should also lead to tighter, more effective control over sales as they develop. We will continue to be alert to new incentives that might emerge. But, as a result of the recommendations to the President, the framework of government procedure governing arms sales should be consistent with the President's policy of restraint.

Guidance for Industry

Industry is keenly interested in arms policies or regulations that may affect its participation in foreign military sales. Industry will be directly affected, for example, by some of the changes in procedures resulting from the recommendations to the President. I will describe briefly how we, in the executive branch, go about informing industry on matters of interest to it regarding foreign military sales.

The principal source of information and policy guidance to industry is the Bureau of Politico-Military Affairs in the State Department, particularly its Office of Munitions Control. That office is responsible for maintaining the international traffic in arms regulations, which provide the basic guidelines for industry regarding those items and services which require license or "approval" before they may be exported.

It also delineates other constraints on contractor activities in dealing with foreign governments in this area. For all practical purposes, the regulations are the "Bible" for industry on foreign military sales matters.

In addition, the Office of Munitions Control periodically issues newsletter for industry keeping it abreast of proposed major changes to the regulation and of major policy developments such as the President's statement on conventional arms transfer policy of last May. At the request of other agencies, the newsletter will also inform industry of changes in the procedures of

those agencies that may affect industry's involvement in foreign sales. In this regard, the Defense Department will ask that various changes resulting from Secretary Brown's recommendation to the President be covered in future editions of the newsletter.

The Defense Department provides guidance to industry through the armed services procurement regulations. These regulations describe in detail Defense Department procurement activities and procedures, which also apply to procurement on behalf of foreign governments. In addition, they provide guidance on matters peculiar to foreign military sales, such as whether there might be additional "allowable costs" attributable to such transactions. The procurement regulations are available to contractors through the Government Printing Office.

The Defense Department also publishes the military assistance and sales manual. It is the best single source of information regarding guidelines and procedures under which the foreign military sales system operates. It is intended primarily for use by Defense Department agencies but is available to contractors.

Aside from that, Defense Department representatives participate, upon request, as speakers or panelists in forums brought together by industry to discuss foreign military sales matters. These occasions provide excellent opportunities to tell industry more about U.S. Government policies and to respond to questions as to how those policies may affect industry.

Accounting System

Under Secretary Benson has described the ceiling set by the President in the transfer of weapons and weapons-related items in the current fiscal year. She also noted the complexities of trying to manage transfers within the ceiling in a fair and equitable manner—and in a way that will best serve U.S. interests. To assist the State Department in this intricate task, the Defense Department has developed a ceiling management accounting system to assure that the State Department will have the most accurate, up-to-date information regarding the status of proposed or completed transfers at any given point during the fiscal year. The Defense Department also has provided certain estimates of anticipated sales—based on past experience and other available data—against which the State Department can gauge the impact of proposed sales against the ceiling total.

The ceiling management system

comprises three different accounts.

- The first account includes all foreign military sales transactions to nonexempt countries involving weapons or weapons-related items that are under \$25 million or, if they involve major defense equipment, are under \$7 million. In other words, this account includes all cases not subject to the reporting requirements of Section 36(b) of the Arms Export Control Act. Most of these cases involve relatively small dollar amounts.

- The second account includes foreign military sales transactions of weapons and weapons-related items to nonexempt countries in excess of the above monetary thresholds which provide follow-on support for weapons systems previously provided to nonexempt countries.

- The third account includes all other foreign military sales transactions involving weapons or weapons-related items to nonexempt countries that total \$25 million or more or, in the case of major defense equipment, total \$7 million or more.

The reason for keeping the second and third accounts separately is that the second account for follow-on support items is less flexible than the third account. The United States has an implied commitment to provide follow-on support for equipment that it had previously sold to another country—unless, of course, policy considerations develop to the contrary. Accordingly, it is the third account that covers those items where, as Under Secretary Benson noted, the government has the greatest discretion in managing the ceiling.

A transaction is entered as a "commitment" against the first account as soon as a firm letter of offer is extended to a foreign government. Transactions in the other two accounts are handled differently. The Congress must be given at least 30-days' formal notice—and normally is given an additional 20-days' advance notice—before a letter of offer may be extended for a transaction that would fall into either account. Accordingly, when Congress is notified, the transaction is entered into the second or third account as "reserved."

Later, after the congressional period has passed and a letter of offer has been issued, the transaction moves from the "reserved" to the "committed" column of its respective account. Once a letter of offer is accepted, it is recorded as a completed transaction against the President's ceiling; if it is not accepted within the prescribed period, the letter of offer lapses

by its own terms, and the transaction is deleted from the account.

Once the ceiling management accounting system is fully operational, the three accounts will show those letters of offer that are pending before the Congress and those letters of offer that have been extended and accepted or are still outstanding. They will show the status at any given point. But they are not reliable for projecting the total transactions that might be expected to fall into each account at the end of the year. The pace and levels of sales transactions vary. Consequently, the Defense Department has provided the State Department with certain estimates that may be used as yardsticks.

It has given the State Department estimates—based on past experience and other available data—of the level of transactions that might be expected to fall under the first account during the current fiscal year; that is, the total value of letters of offer that might be expected during the fiscal year for foreign military sales transactions to nonexempt countries under \$25 million or, in the case of major defense equipment, under \$7 million. It also provided the State Department with estimates—again, based on experience—of the level of transactions above those monetary thresholds that might be expected during the course of the fiscal year for follow-on support cases directly related to weapons systems previously provided to other countries (account two).

The total of the two estimates—plus the value of grants of weapons and weapons-related items to nonexempt countries—gives the State Department a basis for calculating what amounts under the President's ceiling would be available to the third account or category of transactions.

The concept of the accounting system is simple, but it requires careful management and quick, reliable reporting. The Defense Security Assistance Agency countersigns all letters of offer to insure that the items involved are properly described against the appropriate account. All acceptances of letters of offer—or their rejection—must be reported to the agency within 5 days, whereupon the accounts are adjusted immediately. Any changes in scope—that is, increases or decreases in the quantity of a letter of offer—must be similarly reported so that the accounts can be adjusted. The system should assure that the value of letters of offer signed or outstanding never exceeds the President's ceiling.

The system is designed as a management tool and, in this respect, differs from the accounting system used to

carry out billing and payment functions. The purposes of the new system are to assure that the information needed by the State Department and the White House for effective management of the Administration's policy is accurate, up-to-date, and readily at hand and to assure that the President's ceiling is never exceeded.

MR. BLECHMAN¹

Transfers of military equipment from the United States to other countries can serve important military and political purposes. These purposes are well-known and often discussed before this committee and elsewhere in the government.

Perhaps less often expressed, however, is the fact that transferring military equipment from the United States to other countries sometimes can prove to be disadvantageous—politically and militarily.

- Arms transfers potentially can result in the spread of advanced technologies to countries that might someday oppose us or the diversion of military equipment to terrorists.

- Transfers can link the United States with regimes that violate basic human rights and fundamental freedoms and, thereby, tarnish the reputation of the United States in democracies abroad.

- Transfers can help to stimulate local arms races and contribute to instabilities in regional balances of power; if military conflicts result, the United States—as the military supplier to one or more of the participants—may be directly or indirectly involved.

- Transfers divert scarce resources—human, financial, and natural—from fundamental economic and social needs; in the longrun this may lead to instabilities in various parts of the world that could threaten our security.

- Transfers can sometimes draw the United States into unwanted confrontations with other great powers, leading to needless strains in our relations and dangerous tensions.

There is also a more intangible negative aspect to transfers. The role of the United States as the world's arsenal, as opposed to the arsenal of democracy, does not sit well with the American people. They recognize that, after all, the currency of arms trade is weapons of war. Yet, the public nowadays is too sophisticated to think all arms sales are immoral.

Thus the challenge is to chart a course which incorporates the core val-

ues of our society in a way consonant with international realities. Unfortunately, in contemplating proposed arms transfers, what often are most visible are the immediate political costs of turning down a request and the short-term economic and political benefits of establishing an arms supply relationship. Less obvious, but just as real, are the longer term disadvantages and dangers of transfers. Political honeymoons sometimes turn into bitter divorce. And apparently minor military relations with other states sometimes lead to deeper involvements that can complicate and strain our relations with both local nations and distant powers.

We, the Soviet Union, and other suppliers have experienced these problems; this Administration's policy of restraint in arms transfers is meant to help us avoid repeating these lessons.

The United States and the Soviet Union have armed opposing sides in many conflicts in the Third World; sometimes these opposing involvements have resulted in strained relations between the United States and the U.S.S.R. and a worsened climate for progress in arms control and other negotiations. The Vietnam war, the Arab-Israeli war of 1973, and the Angolan conflict are all examples.

At other times, both the United States and the U.S.S.R. have found themselves in the position of having provided arms to both sides of conflict. The result can be strained relations with both belligerents. The United States faced such difficulties in the Indo-Pakistani war of 1965 and more recently in the Greek-Turkish conflict over Cyprus. Last year, the Soviet Union was faced with the use of Soviet supplied arms by both parties to the Egyptian-Libyan conflict; presently, the U.S.S.R. faces a similar situation on the Horn of Africa.

Indeed, the present situation on the Horn dramatically illustrates how fragile an instrument of political influence arms transfers can be. The longstanding U.S. arms supply relationship with Ethiopia failed to prevent the emergence of a new regime hostile to the United States. Similarly, the Soviet Union was not able to deter Somalia from waging war against Ethiopia, despite the many years of Soviet arms shipments to Somalia. The lesson to be learned from the Horn of Africa is that a supplier often cannot control what the recipient does with its arms. Once the arms are in the client's possession, words and blandishments may not be sufficient to limit their use.

Cognizant of these problems, this Administration has committed itself to arms transfer restraint; the commitment

is deep and sincere. As President Carter has said, conventional arms control is not a matter of the future—not even of the near future—but of the immediate present. At the same time, we recognize that restraint must come gradually, that there are risks involved in a policy of restraint, and that certain arms transfers can result in real political and military benefits. For these reasons, our policy is defined in rather specific terms: We aim to reduce the dollar volume of transfers to nonexempt countries, but not necessarily all arms sales.

Obviously, we cannot pursue a policy of unilateral restraint indefinitely. To some extent, our ability to sustain restraint depends on the restraint of others. If the other major suppliers move in to fill the void that our restraint creates, we will have made a lasting contribution to reducing the worldwide arms trade; we only will have penalized American firms, labor, and our balance of payments.

Once a request is made it is politically difficult to turn it down; thus we seek to establish an environment in which fewer requests will be forthcoming. The key objective of our policy is to convince both other suppliers and recipients to restrain their own arms transfers and purchases. The obstacles in persuading suppliers and recipients of the benefits of restraint are formidable, but U.S. leadership can make a difference. This Administration is determined to make a try. Because the Soviets are the second largest arms suppliers, we have entered into discussions of possible arms restraint with them. Our discussions were frank and useful, but the subject is difficult and the process will be a long one.

As the world's leading arms supplier, the United States has a special obligation to take the first step toward restraining arms sales. We have accepted this responsibility. We are restraining our transfers now, and we will continue to do so.

We have taken steps to reduce the volume of U.S. transfers to the Third World. The first step is our firm commitment to reduce the total value of transfers of weapons and weapons-related items to nonexempt countries in fiscal year 1978, as compared to the comparable total in fiscal year 1977. Sales of services that do not directly contribute to military capabilities—primarily construction—and all sales to our NATO allies and to Japan, Australia, and New Zealand are exempted from this ceiling.

The total value of U.S. arms transfers in fiscal year 1978 may rise as compared to fiscal year 1977, but if so

TERRORISM: Scope of the Threat and Need for Effective Legislation

Secretary Vance

I am pleased to appear before you today to discuss a subject of the greatest concern and urgency: how to defend our citizens and our national interests against threats of terrorism around the world. Congress and the Administration must work closely on this vital issue so that as a government we are prepared to deal with terrorist acts promptly, decisively, and effectively.

Terrorism is one of the most inhumane phenomena of our time. We must do everything we can to combat this problem. As your first witness, let me present the Administration's position on the overall problem of terrorism and the need for effective legislation.

It is clear from the pending legislation that the Administration and Congress share common goals: to deter terrorist attacks, to discourage other

governments from cooperating with or giving refuge to terrorists, to capture and prosecute those who participate in such crimes, and to do this in cooperation with other governments.

Strong legislation can help achieve these goals. It will demonstrate to the world that the American Government and people will not tolerate such violence and that we are prepared to act promptly and firmly. Effective legislation can strengthen our ability to work together with other governments toward this shared goal.

Let me begin by describing the scope of the terrorist threat, as we see it today.

- International airplane hijackings have increased in the past 2 years, after a brief pause in their frequency.

- Worldwide, the number of terrorist attacks—including bombings, as-

sassinations, ambushes, and arson—has been higher in the past 2 years than in any previous comparable period.

- There has been a shift away from attacks against U.S. Government officials and property to attacks on American businessmen and corporate facilities. The indications are that these threats on overseas facilities of U.S. corporations and their employees could continue at least at their present level.

- Cooperation among terrorist groups, with totally different goals, appears to be growing. Groups such as the Popular Front for the Liberation of Palestine, the Japanese Red Army, and the Baader-Meinolf Gang increasingly cooperate in lethal attacks against innocent victims regardless of their nationality.

Some terrorist groups find their ideology in a radical nationalism that allows no compromise. Others seek to destroy the political order of their countries, either because they reject all authority or because they seek to intimidate the established authorities. While the motivations of individual terrorists vary, however, it is clear that there is one common thread: They will attack the forms of organized society by all the means they can command.

In their common pursuit of violence, they share information, weapons, money, and, at times, logistical support. In the expression of that violence, they threaten the personal freedom and security of us all.

International Response

Before I talk about what the United States is doing to combat this threat, let me briefly discuss the international response that is emerging, for as much as any other problem we face, the fight against terrorism must be international in scope.

There have been some encouraging developments.

- Hijackers find they can no longer count on landing in countries which once gave them sanctuary. During the recent Japan Air Lines and Lufthansa hijackings, nearly every nation in the Middle East where the hijackers sought refuge turned them away. We must, nonetheless, gain universal acceptance of the responsibility of nations to prosecute or extradite terrorists apprehended within their jurisdiction, as

it would not indicate a failure of our policy. If the total does rise, it will be because of greater sales to NATO and other exempted countries and possible increases in sales of construction services. It is not the intention of our policy, nor in the national interest at this time, to reduce the volume of these exempted sales. That which we want to reduce—sales to nonexempt countries of nonexempt goods and services—will be reduced.

The Arms Control and Disarmament Agency plays an important role in the formulation and implementation of arms transfer policy. The agency vigorously fulfills its statutory obligations to advise the Secretary of State, the National Security Council, and the President of the arms control ramifications of proposed transfers. We are involved in the development of arms transfer policy itself, we advise and counsel actively in the decision process, and we play a central role in all relevant international negotiations.

I would like to conclude my prepared testimony by discussing the forthcoming U.N. Special Session on Disarmament. We believe that this occasion provides an opportunity to think of arms transfers within the broader context of disarmament and development. The prime motivation behind the convening of the special session is widespread Third World discontent with

both the disappointing records of socioeconomic development of many less developed countries and only slow progress in arms control and disarmament. Factual or not, these are the perceptions held in most nations of the world.

The President and the Secretary of State already have stated the basic position of the United States: We will approach the special session in a forthcoming fashion and will play a positive and constructive role. The United States seeks better economic conditions in the Third World; we believe that human dignity demands that individuals have greater opportunity to better their lives, to fulfill their potentials and aspirations. Toward this end, we are determined to do all within our power to create a climate of understanding, support, and forbearance on the part of both suppliers and buyers of arms. □

The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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prescribed by the Hague and Montreal Conventions.

• On November 3, 1977, the U.N. General Assembly passed a resolution [A/321/320 and Corr. 1] condemning hijacking and urging the adoption of effective measures to combat it. The approval of this consensus resolution reflects a growing appreciation by nations throughout the world of the need for more effective action against this form of political violence.

• The successful actions of the Israelis at Entebbe and the West Germans at Mogadiscio demonstrated that terrorists can be defeated by a combination of appropriate rescue capacity, flexible contingency planning, and skillful tactics. We should recognize, however, that such operations entail great risk to the hostages and may not always be feasible.

U.S. Response

For our part, the United States has taken strong actions on a number of fronts.

First, we have made clear to all that we will reject terrorist blackmail. We have clearly and repeatedly stated our intention to reject demands for ransom or for the release of prisoners.

Second, in this and past Administrations, we have strengthened airport security within the United States. There has been only one successful hijacking of a U.S. scheduled air carrier since November 1972. We will continue these essential security measures.

Third, we have improved safety measures to protect U.S. officials and property abroad. We have provided protective armor for official vehicles and mandated security training for all personnel posted overseas. Together with the Department of Commerce, the State Department is advising private corporations and their employees on how to protect themselves and their property against terrorist attacks. In most cases, we have been able to carry out these measures in close cooperation with foreign governments.

Fourth, through action initiated this fall by Secretary [of Transportation Brock] Adams at the International Civil Aviation Organization, we have been working to upgrade the international standards for airport security. The primary focus of this effort is to require mandatory preflight inspection of all passengers and accompanying baggage.

Fifth, we have intensified our efforts to move other countries to ratify the Tokyo, Hague, and Montreal Conventions. As you know, these conventions provide for the apprehension, prosecution, and extradition of those who

hijack or sabotage commercial aircraft. To date, 62 countries have ratified all three conventions; 55 have ratified none. We are not satisfied with these numbers; worldwide acceptance of these basic principles is essential.

Sixth, we have developed, and are improving, procedures for cooperating and exchanging information among law enforcement agencies around the world. For example, during the hijackings of the Japan Air Lines and Lufthansa aircraft last fall, we provided background information on terrorist groups and their past operations and guidelines for protecting and obtaining the release of hostages.

Seventh, we have made major organizational changes within the executive branch that are designed to improve our ability to combat terrorism. Shortly after assuming office, the President reorganized the structure of the National Security Council (NSC). Among the actions taken was the establishment of the Special Coordination Committee (SCC) to handle, among other matters, crisis management. The Assistant to the President for National Security Affairs [Zbigniew Brzezinski] chairs this committee; its members are the statutory members of the NSC and other senior officials as necessary.

In a crisis situation, the SCC would convene immediately. This committee insures that necessary decisions will be made at the highest levels of the government.

The Special Coordination Committee supervises a senior-level interagency group to insure coordination among agencies dealing with terrorism. The interagency group has an executive committee consisting of representatives from the Departments of State, Defense, Justice, Treasury, Transportation, Energy, and the Central Intelligence Agency and the NSC staff. It is chaired by the representative of the State Department; the deputy chairman is the representative of the Department of Justice. It has met frequently since it was established in September 1977.

To fulfill our responsibilities within this framework, the State Department has developed its own procedures. Our Operations Center is fully staffed on a 24-hour basis to manage crisis situations. It has instantaneous communications to all parts of the government, direct access to top officials, and prompt communication to all posts overseas. It has performed well in the past, and it will do so in the future.

Our procedures are designed to anticipate terrorist attempts as well as to deal with ongoing incidents. Specialized units in the U.S. intelligence community, as well as other agencies

of the Federal Government, place high priority on the collection and evaluation of necessary intelligence. We are working to improve the effectiveness and promptness with which we exchange this information with friendly agencies abroad.

When U.S. citizens in foreign countries are threatened, we immediately communicate with foreign governments and make available to them our information, advice, and experience to assist them in carrying out their responsibilities.

Eighth, cooperation on antiterrorism has become an important part of our bilateral relations with other nations. We are urging other governments to take appropriate steps to combat terrorism and bring terrorists to justice.

Obstacles to effective cooperation among governments remain. Some governments, sympathetic to the asserted cause of particular terrorist organizations, not only provide safe haven but also arm, train, and provide cover. Others shy away from resolute action to avoid jeopardizing relations with countries that support terrorist organizations; still others prefer to avoid the apprehension or prosecution of terrorists for fear of new terrorist attacks aimed at freeing comrades. We will continue to press these governments to assume the full measure of their international responsibilities.

The Administration and this committee have the same goals—stopping terrorism. We will continue to work closely with you as you develop effective legislation.

Legislative Provisions

Let me address the provisions we hope will be embodied in such legislation.

• We are prepared to submit regular reports to Congress on acts of international terrorism that affect American citizens or interests. We suggest that these reports be issued quarterly and in a form that can be made public so that all concerned Americans will have authoritative and current data on terrorist incidents. The Department of Justice will address these reporting requirements in greater detail in its testimony.

• We will appear periodically before this committee to supplement the written reports. I know that the committee will appreciate that much of this information will be sensitive. As a result, we strongly urge that these briefings be in closed sessions and on a classified basis.

• The Administration supports the concept of a public list of countries

WESTERN HEMISPHERE: Panama Canal Treaties

by President Carter

Seventy-five years ago, our nation signed a treaty which gave us rights to build a canal across Panama, to take the historic step of joining the Atlantic and Pacific Oceans. The results of the agreement have been of great benefit to ourselves and to other nations throughout the world who navigate the high seas.

The building of the canal was one of the greatest engineering feats of history. Although massive in concept and construction, it's relatively simple in design and has been reliable and efficient in operation. We Americans are justly and deeply proud of this great achievement.

The canal has also been a source of pride and benefit to the people of Panama—but a cause of some continuing discontent. Because we have controlled a 10-mile-wide strip of land across the heart of their country and because they considered the original terms of the agreement to be unfair, the people of Panama have been dissatisfied with the treaty. It was drafted here

in our country and was not signed by any Panamanian. Our own Secretary of State who did sign the original treaty said it was "... vastly advantageous to the United States and ... not so advantageous to Panama."

In 1964, after consulting with former Presidents Truman and Eisenhower, President Johnson committed our nation to work toward a new treaty with the Republic of Panama. And last summer, after 14 years of negotiation under two Democratic Presidents and two Republican Presidents, we reached and signed an agreement that is fair and beneficial to both countries. The U.S. Senate will soon be debating whether these treaties should be ratified.¹

Throughout the negotiations, we were determined that our national security interests would be protected; that the canal would always be open and neutral and available to ships of all nations; that in time of need or emergency our warships would have the right to go to the head of the line for priority passage through the canal; and that our military forces would have the permanent right to defend the canal if it

should ever be in danger. The new treaties meet all of these requirements.

Terms of the Agreement

Let me outline the terms of the agreement. There are two treaties—one covering the rest of this century and the other guaranteeing the safety, openness, and neutrality of the canal after the year 1999, when Panama will be in charge of its operation.

For the rest of this century, we will operate the canal through a nine-person board of directors. Five members will be from the United States and four will be from Panama. Within the area of the present Canal Zone, we have the right to select whatever lands and waters our military and civilian forces need to maintain, to operate, and to defend the canal.

About 75% of those who now maintain and operate the canal are Panamanians; over the next 22 years, as we manage the canal together, this percentage will increase. The Americans who work on the canal will continue to have their rights of employment, promotion, and retirement carefully protected.

We will share with Panama some of the fees paid by shippers who use the canal. As in the past, the canal should continue to be self-supporting.

Support for the Treaties

This is not a partisan issue. The treaties are strongly backed by President Gerald Ford and by former Secretaries of State Dean Rusk and Henry Kissinger. They are endorsed by our business and professional leaders, especially those who recognize the benefits of good will and trade with other nations in this hemisphere. And they were endorsed overwhelmingly by the Senate Foreign Relations Committee which, this week, moved closer to ratification by approving the treaties, although with some recommended changes which we do not feel are needed.

And the treaties are supported enthusiastically by every member of the Joint Chiefs of Staff—General George Brown, the Chairman; General Bernard Rogers, Chief of Staff of the Army; Admiral James Holloway, Chief of Naval Operations; General David Jones, Chief of Staff of the Air Force;

which aid or abet terrorist actions. Public exposure and condemnation can be effective in discouraging support for terrorist activities. Removal of a country from the list would signal a change toward greater responsibility and restraint.

- We are prepared to support appropriate sanctions against countries appearing on such a list; indeed, we already impose sanctions against certain countries which have been identified with terrorist operations. We believe that any such sanctions should be considered on a case-by-case basis taking into account probable effectiveness; the interests of U.S. citizens living abroad; and our overall political, security, and economic relationships. In addition, to be effective, sanctions must be fashioned so that they can be altered or lifted in response to evidence of change.

- We support the objective of publishing a list of airports that are deficient in their security measures. However, we must recognize that there are significant technical constraints on evaluating the security of foreign airports and that we must work together with the responsible government to up-

grade these procedures. The Department of Transportation will address this issue in greater detail in its testimony.

- We hope that Congress will enact enabling legislation that will result in full U.S. compliance with the terms of the Montreal Convention on aircraft sabotage. In this connection, we seek provisions for civil penalties to complement the criminal penalties already available under aircraft security legislation.

- And finally, it is our hope that the legislation developed by this committee will be consistent with the NSC-SCC reorganization I have described.

Let me say again that we welcome the action of this committee, and we will cooperate with you fully in the development of legislation that will be effective in dealing with this dangerous threat. □

Statement before the Senate Committee on Governmental Affairs on Jan. 23, 1978. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

and General Lewis Wilson, Commandant of the Marine Corps—responsible men whose profession is the defense of this nation and the preservation of our security.

The treaties also have been overwhelmingly supported throughout Latin America, but predictably, they are opposed abroad by some who are unfriendly to the United States and who would like to see disorder in Panama and a disruption of our political, economic, and military ties with our friends in Central and South America and in the Caribbean.

I know that the treaties also have been opposed by many Americans. Much of that opposition is based on misunderstanding and misinformation. I've found that when the full terms of the agreement are known, most people are convinced that the national interests of our country will be served best by ratifying the treaties.

Major Questions

Tonight, I want you to hear the facts. I want to answer the most serious questions and tell you why I feel the Panama Canal treaties should be approved.

The most important reason—the only reason—to ratify the treaties is that they are in the highest national interest of the United States and will strengthen our position in the world. Our security interests will be stronger. Our trade opportunities will be improved. We will demonstrate that as a large and powerful country, we are able to deal fairly and honorably with a proud but smaller sovereign nation. We will honor our commitment to those engaged in world commerce that the Panama Canal will be open and available for use by their ships—at a reasonable and competitive cost—both now and in the future.

Let me answer specifically the most common questions about the treaties.

Will our nation have the right to protect and defend the canal against any armed attack or threat to the security of the canal or of ships going through it?

The answer is yes and is contained in both treaties and also in the statement of understanding between the leaders of our two nations.²

The first treaty says, and I quote:

The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each Party shall act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or [of] ships transiting it.

The neutrality treaty says, and I quote again:

The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral. . . .

And to explain exactly what that means, the statement of understanding says, and I quote again:

Under . . . (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality and consequently [shall] have the right to act against the Canal or against the peaceful transit of vessels through the Canal.

It is obvious that we can take whatever military action is necessary to

The treaties will increase our nation's influence in this hemisphere, will help to reduce any mistrust and disagreement, and they will remove a major source of anti-American feeling.

make sure that the canal always remains open and safe.

Of course, this does not give the United States any right to intervene in the internal affairs of Panama, nor would our military action ever be directed against the territorial integrity or the political independence of Panama.

Military experts agree that even with the Panamanian Armed Forces joined with us as brothers against a common enemy, it would take a large number of American troops to ward off a heavy attack. I, as President, would not hesitate to deploy whatever armed forces are necessary to defend the canal, and I have no doubt that even in a sustained combat, that we would be successful. But there is a much better way than sending our sons and grandsons to fight in the jungles of Panama.

We would serve our interests better by implementing the new treaties, an action that will help to avoid any attack on the Panama Canal.

What we want is the permanent right to use the canal—and we can defend this right through the treaties—through real cooperation with Panama. The citizens of Panama and their government have already shown their support of the new partnership, and a protocol

to the neutrality treaty will be signed by many other nations, thereby showing their strong approval.

The new treaties will naturally change Panama from a passive at sometimes deeply resentful bystander into an active and interested partner whose vital interests will be served by a well-operated canal. This agreement leads to cooperation and not confrontation between our country and Panama.

Another question is: **Why should we give away the Panama Canal Zone?** As many people say, "We bought it; we paid for it; it's ours."

I must repeat a very important point: We do not own the Panama Canal Zone. We have never had sovereignty over it. We have only had the right to use it.

The Canal Zone cannot be compared with U.S. territory. We bought Alaska from the Russians, and no one has ever doubted that we own it. We bought the Louisiana Purchases—territories from France, and that's an integral part of the United States.

From the beginning, we have made an annual payment to Panama to use their land. You do not pay rent on your own land. The Panama Canal Zone has always been Panamanian territory. The U.S. Supreme Court and previous American Presidents have repeatedly acknowledged the sovereignty of Panama over the Canal Zone.

We've never needed to own the Panama Canal Zone, any more than we need to own a 10-mile-wide strip of land all the way through Canada from Alaska when we build an international gas pipeline.

The new treaties give us what we need—not ownership of the canal but the right to use it and to protect it. As the Chairman of the Joint Chiefs of Staff has said, "The strategic value of the canal lies in its use."

There's another question: **Can our naval ships, our warships, in time of need or emergency, get through the canal immediately instead of waiting in line?**

The treaties answer that clearly by guaranteeing that our ships will always have expeditious transit through the canal. To make sure that there could be no possible disagreement about what these words mean, the joint statement says that expeditious transit, and I quote,

. . . is intended . . . to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in [the] case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly.

Will the treaties affect our stand-

g in Latin America? Will they create a so-called power vacuum, which our enemies might move in to fill?

They will do just the opposite. The treaties will increase our nation's influence in this hemisphere, will help to reduce any mistrust and disagreement, and they will remove a major source of anti-American feeling.

The new agreement has already provided vivid proof to the people of this hemisphere that a new era of friendship and cooperation is beginning and that what they regard as the last remnant of foreign American colonialism is being removed.

Last fall, I met individually with the leaders of 18 countries in this hemisphere. Between the United States and Latin America there is already a new sense of equality, a new sense of trust and mutual respect that exists because of the Panama Canal treaties. This opens up a fine opportunity for us in good will, trade, jobs, exports, and political cooperation.

If the treaties should be rejected, this would all be lost, and disappointment and despair among our good neighbors and traditional friends would be severe. In the peaceful struggle against alien ideologies like communism, these treaties are a step in the right direction. Nothing could strengthen our competitors and adversaries in this hemisphere more than for us to reject this agreement.

What if a new sea-level canal could be needed in the future? This question has been studied over and over throughout this century, from before the time the canal was built up through the last few years. Every study has reached the same conclusion—that the best place to build a sea-level canal is in Panama.

The treaties say that if we want to build such a canal, we will build it in Panama, and if any canal is to be built in Panama, that we, the United States, will have the right to participate in the project.

This is a clear benefit to us, for it assures that, say, 10 or 20 years from now, no unfriendly but wealthy power will be able to purchase the right to build a sea-level canal, to bypass the existing canal, perhaps leaving that other nation in control of the only usable waterway across the isthmus.

Are we paying Panama to take the canal? We are not. Under the new treaty, any payments to Panama will come from tolls paid by ships which use the canal.

What about the present and the future stability and the capability of the Panamanian Government? Do

the people of Panama themselves support the agreement?

Well, as you know, Panama and her people have been our historical allies and friends. The present leader of Panama has been in office for more than 9 years, and he heads a stable government which has encouraged the development of free enterprise in Panama. Democratic elections will be held this August to choose the members of the Panamanian Assembly, who will in turn elect a President and a Vice President by majority vote. In the past, regimes have changed in Panama, but for 75 years, no Panamanian government has ever wanted to close the canal.

Panama wants the canal open and neutral—perhaps even more than we do. The canal's continued operation is very important to us, but it is much more than that to Panama. To Panama, it's crucial. Much of her economy flows directly or indirectly from the canal. Panama would be no more likely to neglect or to close the canal than we would be to close the interstate highway system here in the United States.

In an open and free referendum last October, which was monitored very

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carefully by the United Nations, the people of Panama gave the new treaties their support.

The major threat to the canal comes not from any government of Panama but from misguided persons who may try to fan the flames of dissatisfaction with the terms of the old treaty.

There's a final question—about the deeper meaning of the treaties themselves, to us and to Panama.

Recently, I discussed the treaties with David McCullough, author of the *Path Between the Seas* [the Creation of the Panama Canal 1870–1914], the great history of the Panama Canal. He believes that the canal is something that we built and have looked after these many years; it is “ours” in that sense, which is very different from just ownership.

So, when we talk of the canal, whether we are old, young, for or against the treaties, we are talking about very deep and elemental feelings about our own strength.

Still, we Americans want a more humane and stable world. We believe in good will and fairness, as well as strength. This agreement with Panama is something we want because we know it is right. This is not merely the surest way to protect and save the canal; it's a strong, positive act of a people who are still confident, still creative, still great.

This new partnership can become a source of national pride and self-respect in much the same way that building the canal was 75 years ago. It's the spirit in which we act that is so very important.

Theodore Roosevelt, who was President when America built the canal, saw history itself as a force, and the history of our own time and the changes it has brought would not be lost on him. He knew that change was inevitable and necessary. Change is growth. The true conservative, he once remarked, keeps his face to the future.

But if Theodore Roosevelt were to endorse the treaties, as I'm quite sure he would, it would be mainly because he could see the decision as one by which we are demonstrating the kind of great power we wish to be.

“We cannot avoid meeting great issues,” Roosevelt said. “All that we can determine for ourselves is whether we shall meet them well or ill.”

The Panama Canal is a vast, heroic expression of that age-old desire to bridge the divide and to bring people closer together. This is what the treaties are all about.

We can sense what Roosevelt called “... the lift toward nobler things which marks a great and generous people.”

In this historic decision, he would join us in our pride for being a great and generous people, with the national strength and wisdom to do what is right for us and what is fair to others. □

Address to the nation broadcast live on radio and television on Feb. 1, 1978 (text from Weekly Compilation of Presidential Documents of Feb. 6).

¹ For texts of the Panama Canal Treaty and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, see BULLETIN of Oct. 17, 1977, p. 481.

² For text of statement of understanding of Oct. 14, 1977, see BULLETIN of Nov. 7, p. 631.

TREATIES:

Current Actions

MULTILATERAL

Antarctica

Recommendations, including agreed measures for conservation of Antarctic fauna and flora. Adopted at Brussels June 2-13, 1964, at the Third Antarctic Treaty Consultative Meeting. Entered into force July 27, 1966, except for III-VII, III-VIII, September 1, 1966, for III-XI TIAS 6058

Notification of approval: Belgium, January 26, 1978, for Recommendation III-VIII

Measures relating to the furtherance of the principles and purposes of the Antarctic treaty. Adopted at Paris November 29, 1968, at the Fifth Consultative Meeting. Entered into force May 26, 1972, for V-1 through V-4 and V-9, July 31, 1972, for V-7 and V-8 TIAS 7692

Notification of approval: Belgium, January 26, 1978, for Recommendations V-5, V-6.

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty. Adopted at Wellington November 10, 1972, at the Seventh Consultative Meeting. Entered into force May 29, 1975, for VII-1 through VII-3, VII 6 through VII 8 TIAS 8500.

Notification of approval: Belgium, January 26, 1978, for Recommendation VII-5.

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty. Adopted at Oslo June 20, 1975, at the Eighth Consultative Meeting.¹

Notification of approval: Belgium, January 26, 1978, for Recommendations VIII-1, VIII-2, VIII-5.

Aviation

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971. Entered into force January 26, 1973 TIAS 7570.

Ratifications deposited: Federal Republic of Germany,² ³ February 3, 1978; Switzerland, January 17, 1978.

Protocol on the authentic quadrilingual text of the convention on international civil aviation (Chicago, 1944) (TIAS 1591), with annex. Done at Montreal September 30, 1977.¹

Acceptance deposited: Ecuador, January 19, 1978.

Cultural Property

Convention on the means of prohibiting and preventing the illicit import, export, and transfer of ownership of cultural property. Done at Paris November 14, 1970. Entered into force April 24, 1972.⁴

Ratifications deposited: Tanzania, August 2, 1977; Uruguay, August 9, 1977.

Conservation

Agreement on the conservation of polar bears.

Done at Oslo November 15, 1973. Entered into force May 26, 1976; for the United States November 1, 1976. TIAS 8409.

Ratification deposited: Denmark, January 25, 1978.

Consular Relations

Vienna convention on consular relations. Done at Vienna April 24, 1963. Entered into force March 19, 1967; for the United States December 24, 1969 TIAS 6820.

Notification of succession: Bangladesh, January 13, 1978.

Accession deposited: Haiti, February 2, 1978

Copyright

Universal copyright convention, as revised. Done at Paris July 24, 1971. Entered into force July 10, 1974 TIAS 7868.

Protocol 1 annexed to the universal copyright convention, as revised, concerning the application of that convention to works of stateless persons and refugees. Done at Paris July 24, 1971. Entered into force July 10, 1974. TIAS 7868.

Protocol 2 annexed to the universal copyright convention, as revised, concerning the application of that convention to the works of certain international organizations. Done at Paris July 24, 1971. Entered into force July 10, 1974. TIAS 7868.

Accession deposited: Australia, November 29, 1977.

Customs

Customs convention on the international transit of goods (ITI convention) Done at Vienna June 7, 1971.¹

Accession deposited: Morocco, November 17, 1977.

Diplomatic Relations

Vienna convention on diplomatic relations. Done at Vienna April 18, 1961. Entered into force April 24, 1964; for the United States December 13, 1972. TIAS 7502.

Notification of succession: Bangladesh, January 13, 1978

Accession deposited: Haiti, February 2, 1978

Finance

Articles of agreement of the International Bank for Reconstruction and Development. Done at Washington December 27, 1945. Entered into force December 27, 1945. TIAS 1502.

Signature and acceptance: Maldives, January 13, 1978.

Articles of agreement of the International Bank for Reconstruction and Development. Done at Washington December 27, 1945. Entered into force December 27, 1945. TIAS 1502.

Signature and acceptance: Maldives, January 13, 1978.

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976. Entered into force November 30, 1977.

Signature: Papua New Guinea, January 1978.

Acceptance deposited: United Arab Emirates, December 28, 1977.

Ratifications deposited: Belgium, Luxembourg, December 9, 1977; Morocco, Uruguay, December 16, 1977; Bolivia, December 30, 1977; Israel, January 10, 1978.

Accessions deposited: Benin, December 1977; Dominican Republic, December 1977.

Memorandum of understanding concerning study of the compensation systems of the International Bank for Reconstruction and Development and the International Monetary Fund, with terms of reference, declaration, related agreements, and arrangement. Done December 15, 1977. Entered into force December 15, 1977.

Signatures: Federal Republic of Germany, France, Japan, United Kingdom, United States, December 15, 1977.

Health

Amendments to Articles 24 and 25 of the Constitution of the World Health Organization. July 22, 1946, as amended (TIAS 1808, 468086, 8534). Adopted at Geneva May 1976.¹

Acceptances deposited: Cape Verde, January 13, 1978; India, Laos, January 23, 1978; Uganda, January 10, 1978

Human Rights

International covenant on civil and political rights. Done at New York December 16, 1966. Entered into force March 23, 1976.⁴

Ratification deposited: Guinea, January 1978.

International covenant on economic, social, and cultural rights. Done at New York December 16, 1966. Entered into force January 3, 1976.

Ratification deposited: Guinea, January 2, 1978.

Marriage

Convention on consent to marriage, minimum age for marriage, and registration of marriages. Done at New York December 1, 1962. Entered into force December 9, 1964.

Ratification deposited: Guinea, January 2, 1978

Narcotic Drugs

Single convention on narcotic drugs, 1961. Done at New York March 30, 1961. Entered into force December 13, 1964; for the United States June 24, 1967. TIAS 6298.

Accession deposited: Austria, February 1978.

Protocol amending the single convention on narcotic drugs, 1961. Done at Geneva March 23, 1972. Entered into force August 8, 1975. TIAS 8118.

Accession deposited: Austria, February 1978.

Convention on psychotropic substances. Done at

arch 1978

Vienna February 21, 1971. Entered into force August 16, 1976.⁴

Accession deposited: Korea, January 12, 1978.

tents

tent cooperation treaty, with regulations. Done at Washington June 19, 1970. Entered into force January 24, 1978 (except for chapter II). TIAS 8733.

Ratifications deposited: Brazil, January 9, 1978; Union of Soviet Socialist Republics, December 29, 1977.

Chapter II enters into force: March 29, 1978.⁴

tents—Microorganisms

Budapest treaty on the international recognition of the deposit of microorganisms for the purposes of patent procedure, with regulations. Done at Budapest April 28, 1977.¹

Signatures: Austria, December 22, 1977; Luxembourg, December 8, 1977; Senegal, December 17, 1977; Sweden, November 14, 1977; Union of Soviet Socialist Republics, December 30, 1977.

Phonograms

Convention for the protection of producers of phonograms against unauthorized duplication of their phonograms. Done at Geneva October 9, 1971. Entered into force April 18, 1973; for the United States March 10, 1974. TIAS 808.

Notification from World Intellectual Property Organization that instrument of accession deposited: Egypt, January 23, 1978.

Postal

Additional protocol to the constitution of the Postal Union of the Americas and Spain, general regulations, regulations governing the International Office and the Transfer Office, and convention with final protocol and detailed regulations. Done at Lima March 18, 1976. Entered into force October 1, 1976, with respect to certain provisions; March 18, 1976, with respect to other provisions.

Adherence deposited: Surinam, January 1, 1978.

Property—Industrial

Paris agreement concerning the international classification of goods and services for the purposes of the registration of marks of June 15, 1957, as revised (TIAS 7418, 7419). Done at Geneva May 13, 1977.¹

Signatures: Australia, December 21, 1977; Austria, December 30, 1977; Belgium, October 11, 1977; German Democratic Republic (with a declaration), November 24, 1977; Ireland, December 29, 1977; Luxembourg, December 1, 1977; Morocco, October 28, 1977; Norway, November 14, 1977; Sweden, October 3, 1977.

Ratification deposited: Australia, January 4, 1978.

Protocol Cross

Protocol additional to the Geneva conventions of 12 August 1949, and relating to the protection of victims of international armed conflicts

(Protocol I), with annexes. Done at Geneva June 8, 1977.¹

Signatures: Federal Republic of Germany, December 23, 1977;³ Upper Volta, January 11, 1978.

Protocol additional to the Geneva conventions of 12 August 1949, and relating to the protection of victims of noninternational armed conflicts (Protocol II). Done at Geneva June 8, 1977.¹

Signatures: Federal Republic of Germany, December 23, 1977;³ Upper Volta, January 11, 1978.

Refugees

Convention relating to the status of refugees, with schedule and annex. Done at Geneva July 28, 1951. Entered into force April 22, 1954.⁴

Accession deposited: Sao Tome and Principe, February 1, 1978.

Protocol relating to the status of refugees. Done at New York January 31, 1967. Entered into force October 4, 1967; for the United States November 1, 1968. TIAS 6577.

Accession deposited: Sao Tome and Principe, February 1, 1978.

Safety at Sea

Convention on the international regulations for preventing collisions at sea, 1972. Done at London October 20, 1972. Entered into force July 15, 1977. TIAS 8587.

Ratification deposited: Ireland, December 19, 1977.

Accessions deposited: Chile, August 2, 1977; Ecuador, December 8, 1977; Pakistan, December 14, 1977; Sri Lanka, January 4, 1978.

Acceptance deposited: Republic of Korea, July 29, 1977.

Seals—Antarctic

Convention for the conservation of Antarctic seals, with annex and final act. Done at London June 1, 1972.

Ratifications deposited: Belgium, February 9, 1978; Union of Soviet Socialist Republics, February 8, 1978.

Entered into force: March 11, 1978

Space

Convention on registration of objects launched into outer space. Done at New York January 14, 1975. Entered into force September 15, 1976. TIAS 8480.

Ratifications deposited: Byelorussian Soviet Socialist Republic, January 26, 1978; Union of Soviet Socialist Republics, January 13, 1978.

Sugar

International sugar agreement, 1977, with annexes. Done at Geneva October 7, 1977. Entered into force provisionally January 1, 1978.

Signatures: Jamaica, Japan, Norway, Thailand, Venezuela, December 23, 1977; El Salvador, Indonesia, Sweden, December 28, 1977; Fiji, Guyana, Korea, Malawi, Portugal, Singapore, Uganda, Union of Soviet Socialist Republics, Yugoslavia, December 29, 1977; Bangladesh, Bulgaria, Canada, Dominican Republic, Egypt, Ethio-

pia, Finland, India, December 30, 1977; Mexico, Nigeria, December 31, 1977.

Ratifications deposited: South Africa, Trinidad and Tobago, December 28, 1977; Fiji, New Zealand, December 29, 1977; Canada, Peru, December 30, 1977; Ecuador, January 4, 1978; Guyana, Philippines, Singapore, Uganda, January 16, 1978.

Notifications of provisional application deposited: Jamaica, Japan, Thailand, December 23, 1977; Cuba, El Salvador, New Zealand, Sweden, United Kingdom,⁵ December 28, 1977; Korea, Venezuela, December 29, 1977; Finland, India, Union of Soviet Socialist Republics, December 30, 1977; Honduras, January 3, 1978; Indonesia, Mexico, January 16, 1978; Portugal, January 18, 1978.

Acceptance deposited: Malawi, January 19, 1978.

Telecommunications

International telecommunications convention, with annexes and protocols. Done at Malaga-Torremolinos October 25, 1973. Entered into force January 1, 1975; for the United States April 7, 1976. TIAS 8572.

Ratification deposited: Mongolia, October 18, 1977.

Tonnage Measurement

International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969.¹

Accession deposited: New Zealand, January 6, 1978 (not applicable to Cook Islands, Niue, and Tokelau)

United Nations—Privileges and Immunities

Convention on the privileges and immunities of the United Nations. Done at New York February 13, 1946. Entered into force September 17, 1946; for the United States April 29, 1970. TIAS 6900.

Notification of succession: Bangladesh, January 13, 1978.

Women

Convention on the political rights of women. Done at New York March 31, 1953. Entered into force July 7, 1954; for the United States July 7, 1976.

Ratification deposited: Guinea, January 24, 1978.

BILATERAL

Afghanistan

Agreement for sales of agricultural commodities, with minutes of understanding. Signed at Kabul December 28, 1977. Entered into force December 28, 1977.

Bangladesh

Agreement for sales of agricultural commodities, relating to the agreement of October 4, 1974 (TIAS 7949), with agreed minutes. Signed at Dacca January 13, 1978. Entered into force January 13, 1978.

Canada

Agreement extending the agreement of April 2 and May 9, 1974 (TIAS 8137), relating to the installation, operation, and maintenance of a seismograph station near Kluane Lake, Yukon Territory. Effected by exchange of notes at Ottawa October 13 and November 7, 1977. Entered into force November 7, 1977.

Understanding relating to trade in beef and veal between Canada and the United States in 1978. Effected by exchange of letters at Washington January 16 and 23, 1978. Entered into force January 23, 1978.

Columbia

Memorandum of agreement relating to jet fuel prices. Signed at Bogota January 11, 1978. Entered into force January 11, 1978; effective January 15, 1978.

Dominican Republic

Agreement amending the agreement for sales of agricultural commodities of September 28, 1977. Effected by exchange of notes at Santo Domingo December 13 and 20, 1977. Entered into force December 20, 1977.

Egypt

Agreement relating to trade in textiles and textile products. Effected by exchange of notes at Cairo December 7 and 28, 1977. Entered into force December 28, 1977; effective January 1, 1978.

Guinea

Agreement amending the agreement for sales of agricultural commodities of September 22, 1976 (TIAS 8585). Effected by exchange of notes at Conakry June 13 and 15, 1977. Entered into force June 15, 1977.

Guyana

Agreement for sales of agricultural commodities. Signed at Georgetown January 27, 1978. Entered into force January 27, 1978.

India

Memorandum of understanding concerning access by an Indian ground station to NASA's Landsat satellites and availability to NASA and others of data acquired, with related note. Signed at New Delhi January 3, 1978. Entered into force January 3, 1978.

Agreement for sales of agricultural commodities, with agreed minutes. Signed at New Delhi January 27, 1978. Entered into force January 27, 1978.

Indonesia

Agreement amending the agreement for sales of agricultural commodities of May 17, 1977 (TIAS 8677), with exchange of letters and agreed minutes. Effected by exchange of notes at Jakarta December 16, 1977. Entered into force December 16, 1977.

Inter-American Development Bank

Agreement establishing the Inter-American Development Bank, with annexes. Done at Washington April 8, 1959. Entered into force December 30, 1959. TIAS 4397.

Signature and acceptance deposited: Bahamas, December 15, 1977.

Iran

Agreement extending the military mission agreement of October 6, 1947 (TIAS 1666), as amended and extended. Effected by exchange of notes at Tehran October 8, 1977, and January 19, 1978, effective March 21, 1978.

Agreement relating to a cooperative program to improve and modernize the Iranian Meteorological Services, with annexes. Signed at Tehran November 26, 1977. Entered into force November 26, 1977.

Jordan

Agreement for sales of agricultural commodities, relating to the agreement of November 27, 1974 (TIAS 7995), with minutes of negotiation. Signed at Amman January 10, 1978. Entered into force January 10, 1978.

Korea

Agreement amending the agreement for sales of agricultural commodities of February 18, 1976 (TIAS 8261). Effected by exchange of notes at Seoul December 7, 1977. Entered into force December 7, 1977.

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes and related letter. Effected by exchanges of notes at Washington December 23, 1977. Entered into force provisionally December 23, 1977; effective January 1, 1978.

Definitive entry into force: February 7, 1978.

Joint statement regarding cooperation concerning the case of Mr. Tongsun Park, with related agreement. Signed at Seoul December 31, 1977. Entered into force December 31, 1977.

Mexico

Agreement modifying the air transport agreement of August 15, 1960 (TIAS 4675), to permit experimental implementation of low-cost fares. Effected by exchange of notes at Mexico and Tlatelolco November 7 and December 21, 1977. Entered into force December 21, 1977.

Agreement amending the agreement of February 16, 1977, as amended, relating to additional cooperative arrangements to curb the illegal production and traffic in narcotics. Effected by exchange of letters at Mexico December 19, 1977. Entered into force December 19, 1977.

Agreement amending the agreement of February 16, 1977, as amended, relating to additional cooperative arrangements to curb the illegal production and traffic in narcotics. Effected by exchange of letters at Mexico January 3, 1978. Entered into force January 3, 1978.

Agreement relating to reduced air fares and charter air services. Effected by exchange of letters at Mexico January 20, 1978. Entered into force January 20, 1978.

Agreement amending and extending the air transport agreement of August 15, 1960, as amended and extended (TIAS 4675, 7167). Signed at Mexico January 20, 1978. Entered into force provisionally, January 20, 1978; definitively, upon receipt by the United States of notification from Mexico that the formalities

required by national legislation have been completed.

New Zealand

Agreement relating to the limitation of meat imports from New Zealand during calendar year 1978. Effected by exchange of notes at Washington December 21, 1977, and January 1, 1978. Entered into force January 18, 1978; effective January 1, 1978.

Norway

Agreement amending the agreement of February 5, 1957 (TIAS 3769), relating to certification of airworthiness for imported aircraft. Effected by exchange of notes at Washington January 24, 1978. Entered into force January 24, 1978.

Pakistan

Agreement extending the agreement of September 9, 1977 (TIAS 8724), on procedure for mutual assistance in connection with matters relating to the Lockheed Aircraft Corporation and the Boeing Company to the McDonnell Douglas Corporation and its subsidiaries and affiliates. Effected by exchange of letters at Washington January 6 and 10, 1978. Entered into force January 10, 1978.

Panama

Agreement relating to the limitation of meat imports from Panama during calendar year 1978. Effected by exchange of notes at Washington December 21, 1977, and January 17, 1978. Entered into force January 17, 1978.

Philippines

Agreement amending the agreement of October 15, 1975, as amended and extended (TIAS 8179), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Manila December 27, 1977. Entered into force December 27, 1977.

Agreement amending the agreement of October 15, 1975, as amended and extended (TIAS 8179), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Manila December 28, 1977. Entered into force December 28, 1977; effective January 1, 1978.

Agreement amending the agreement of October 15, 1975, as amended and extended (TIAS 8179), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Manila January 4, 1978. Entered into force January 4, 1978.

Agreement amending the agreement of November 9, 1972, as amended, for transfer of agricultural commodities to the Philippine Islands. Signed at Manila January 18, 1978. Entered into force January 18, 1978.

Poland

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products with annexes. Effected by exchange of notes at Washington January 9 and 12, 1978. Entered into force January 12, 1978; effective January 1, 1978.

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reement concerning fisheries off the coasts of
he United States, with agreed minutes and
exchange of letters. Signed at Bucharest
November 23, 1976.

Entered into force: January 18, 1978.

di Arabia
ject agreement for technical cooperation in
highway transportation. Signed at Riyadh and
Washington August 16 and 26, 1977.

Entered into force: November 28, 1977.

ject agreement for cooperation in the field of
olar energy. Signed at Riyadh October 30,
1977.

Entered into force: January 11, 1978.

Snalia
reement relating to the transfer of agricultural
commodities to Somalia. Signed at Mogadis-
io December 18, 1977. Entered into force
December 18, 1977.

S Lanka
reement for sales of agricultural commodities.
lating to the agreement of March 25, 1975,
ith agreed minutes. Signed at Colombo
January 9, 1978. Entered into force January 9,
1978.

Sudan

Agreement for sales of agricultural commodities.

Signed at Khartoum December 24, 1977. En-
ters into force upon receipt by the U.S. Em-
bassy of notification from Sudan that its con-
stitutional procedures for ratification have
been completed

Thailand

Agreement amending the agreement of De-
cember 29, 1975, as amended (TIAS 8288,
8780), relating to trade in cotton, wool, and
manmade fiber textiles and textile products.
Effected by exchange of notes at Bangkok
November 14, 1977. Entered into force
November 14, 1977.

United Kingdom

Agreement relating to the limitation of meat im-
ports from Belize during calendar year 1978.
Effected by exchange of notes at Washington
December 21, 1977, and January 9, 1978. En-
tered into force January 9, 1978.

¹ Not in force.

² Applicable to Berlin (West).

³ With declarations

⁴ Not in force for the United States.

⁵ Applicable to Belize and St. Christopher-
Nevis-Anguilla.

Agricultural Commodities. Agreement with
Haiti. TIAS 8600. 21 pp. \$1.00. (Cat. No.
S9.10:8600).

International Tin Agreement, 1975. Agree-
ment with other governments. TIAS 8607. 398
pp. \$4. (Cat. No. S9.10:8607).

Access Roads Construction. Agreement with
Gabon. TIAS 8612. 40 pp. \$1.50. (Cat. No.
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**Technical Cooperation in Electrical Power
Planning.** Agreement with Saudi Arabia. TIAS
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Relocations of the Rio Grande Channel. Act
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tional Cooperation.** Agreement with Japan.
TIAS 8635. 12 pp. 80¢. (Cat. No.
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ing the agreement of July 25, 1974. TIAS
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United Kingdom of Great Britain and Northern
Ireland. TIAS 8641. 59 pp. \$1.80. (Cat. No.
S9.10:8641).

Customs Services. Agreement with Mexico.
TIAS 8642. 21 pp. \$1. (Cat. No. S9.10:8642).

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Textiles and Textile Products.** Agreement
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PRESS RELEASES: Department of State

February 7–March 3

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No.	Date	Subject
*63	2/7	U.S., Mexico air transport agreement, Jan. 20.
*64	2/7	Third Conference on U.S.-Central American Trade and Investment, New Orleans, Feb. 15–17.
*65	2/7	U.S., Philippines amend textile agreement, Dec. 28, 1977.
66	2/8	Vance: statement before Subcommittee on International Operations of the House Committee on International Relations in which he reviewed 1977 activities.
*67	2/10	William E. Schaefe, Jr., sworn in as Ambassador to Poland (biographic data).
*68	2/10	Study Group 4 of the U.S. Organization of the International Telegraph Consultative Committee (CCITT), Mar. 9.
*69	2/10	Study Group 1 of the U.S. Organization of the CCITT, Mar. 9.
*70	2/10	Study Group 7 of the U.S. Organization of the CCITT, Mar. 15.
71	2/10	Vance: news conference.
*72	2/13	Advisory Committee on Transnational Enterprises, Mar. 14.

73	2/14	Foreign Ministers of the U.S., Canada, United Kingdom, Federal Republic of Germany, and France: remarks to press, New York, Feb. 12.
*74	2/14	Richard J. Bloomfield sworn in as Ambassador to Portugal (biographic data).
75	2/14	Vance: announcement on sale of aircraft to Middle East countries.
76	2/14	Vance: interview on MacNeil/Lehrer Report (PBS).
*77	2/15	Advisory Committee on Private International Law, study group on hotelkeepers' liability, Mar. 21.
*78	2/15	Study Group 1 of the U.S. Organization for the International Radio Consultative Committee (CCIR), Mar. 9.
*79	2/17	U.S., Thailand amend textile agreement, Nov. 14, 1977.
*80	2/17	Advisory Panel on Academic Music of the Advisory Committee on Music, Mar. 6.
*81	2/17	Program for the official visit to Washington, D.C., of Danish Prime Minister Anker Jorgensen, Feb. 21–23.
82	2/20	President to nominate Alfred L. Atherton, Jr., as Ambassador at Large, Harold H. Saunders as Assistant Secretary for Near Eastern and South Asian Affairs.

*83	2/21	Vance: statement before House Committee on International Relations on foreign assistance for 1979.
*84	2/21	Advisory Committee on International Enterprise, Mar. 13.
*85	2/22	Study Group 2 of the U.S. Organization for the CCITT, Mar. 22.
*86	2/22	Korea notification concerning entry into force of bilateral textile agreement, Dec. 23, 1977.
*87	2/23	Study Groups 10 and 11, U.S. Organization for the CCITT, Mar. 15.
*88	2/23	Water quality in the Popo River, exchange of letters between International Joint Commission (Jan. 27) and U.S. (Feb. 22).
*89	2/24	Vance: statement before Subcommittee on Foreign Operations, House Committee Appropriations on foreign assistance for 1979.
*90	9/24	Health compensation benefits for certain former inmates of Nazi concentration camps.
*91	2/24	Arthur T. Tienken sworn in as Ambassador to Gabon and Sao Tome and Principe (biographic data).
*92	2/27	U.N. High Commissioner for Refugees to visit Washington, D.C., Feb. 25.
*93	2/24	U.S., Egypt Joint Working Group on Technology, Research, and Development meets in Cairo, Feb. 11–13.
*93A	2/27	Vance: address before National Governor's Association.
*94	2/27	Study Group 8, U.S. Organization for the CCITT, Mar. 2.
*95	2/27	Department statement: remarks by President Brezhnev, Feb. 25.
*96	2/27	New members appointed to Board of Foreign Scholars.
*97	2/28	Human rights conference, Feb. 27–28.
*98	2/28	U.S., Iran Joint Commission, Feb. 28.
*99	3/1	Special Antarctic treaty consultative meeting opens in Canberra, Feb. 27.
*100	3/1	"Treaties in Force" released.
*101	3/2	Vance: statement before Senate Committee on Foreign Relations on foreign assistance for 1979.
*102	3/3	Signing of extradition treaty with Japan.

*Not printed in the BULLETIN.

†To be printed in a later issue.

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